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Central Eurasia

FBIS-SOV-95-044
Tuesday
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Daily Report
Central Eurasia

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Central Asian Leaders Attend Aral Sea Forum

LD0603203195 Almaty Kazakhstan Television Network in Russian 1600 GMT 4 Mar 95

[FBIS Translated Excerpt] The presidents of Kazakhstan, Uzbekistan, Kyrgyzstan, and Tajikistan have held a regular meeting in the town formerly known as Tashauz and now called Dashkhovuz. The problem was devoted to saving the Aral Sea and social protection of the region's inhabitants. It was the third meeting following those held in Kzyl-Orda and Nukus.

The main issues on the agenda were the work of the Executive Council of the Interstate Council with regard to implementing a program of specific measures to improve the ecological situation in the Aral Sea basin over the next 3-5 years, and bearing the region's socioeconomic development; the creation of funds for the International Save the Aral Sea Fund; the election of a president for the fund for a new term; and other structural and staffing matters. [passage omitted]

[Announcer] Though a lot has been done—the world community's attention has at last been drawn to the Aral problems, and donors under the World Bank's aegis alone have have promised 41 million dollars by the time the work starts—Nursultan Nazarbayev devoted the main part of his speech to unsolved problems.

[Begin Nazarbayev recording] We simply cannot keep silent about the fact that we, the states who founded the fund, are not fulfilling our own obligations to transfer our contributions on time, which is delaying the attraction of other funds. It is clear that each of our countries can point to objective financial difficulties, but in this case I think it is much more important for us to increase the credibility of the fund and its intentions. We simply have no other way of convincing the world that we more than anyone are interested in tackling the Aral problem.

Meanwhile, only 15 percent of the expected amount of money has arrived in the account of the Executive Board of the International Save the Aral Fund. The Republic of Kazakhstan has donated 30 percent, and Kyrgyzstan and Uzbekistan have donated 2 percent each. Turkmenistan and Tajikistan propose using their entrance fees within their own territory. These are what we might call our domestic national efforts to tackle the Aral problem, and which we discussed just before this meeting.

It is hardly possible to cover such expenses through entrance fees alone. We find it hard to convince international organizations of this. Under our agreement, the state's fees have to be transferred to the international Aral fund in order to make up an authorized capital for funding regional projects. [end recording]

[Announcer] [Passage omitted] Several hours of work to coordinate the opinions and proposals put forward by the presidents resulted in the signing of a final concluding document. Its substance may be described in anambiguous terms: further integration between the Central Asian states to save the Aral Sea, and measures to provide social protection for the region's population.

Nursultan Nazarbayev was re-elected president of the International Save the Aral Fund. Turkmen Deputy Prime Minister Matkarim Radzhabov became president of the Interstate Council Executive Committee.

A news conference highlighted the details of the program and the primary actions in the area of the ecological disaster.

[Begin recording] [Nazarbayev] World countries, the United Nations, and the world financial organizations have now directed their attention to the issue, and today we are working on the implementation of specific projects which are being funded by the World Bank and international financial organizations. Some states, for example Israel, have put forward a proposal to become a member of our fund, and we sincerely welcome this.

I therefore think that our meeting today, in the land of the fraternal Turkmen people, has again strengthened our relations and has given rise to confidence between the states. Naturally, the presidents gathered here have also discussed other matters related to relations among the states of Central Asia, and to our common policy in the world and in our region.

[Uzbekistan's President Karimov] These seven projects were subjected to careful expert examination. Each of the projects is in some way a unifying, global one—the issue of water distribution, for example. Or the issues relating to ensuring that the water resources in the two great Central Asian rivers, the Amudarya and Syrdarya, are used correctly and moreover economically. In general, there was no program for the use of the Amudarya and Syrdarya water resources as such in the Soviet time.

It was the rapacious use of the Amudarya and Syrdarya water resources that led to irrational use, piecemeal planning, and excessive development of the cotton industry—it was Moscow, the center, the Soviet Union, which demanded 6 million tonnes of cotton from us. The entire socialist camp lived off that cotton. They put pressure on Turkmenistan, and not only Turkmenistan, but also Kyrgyzstan and Tajikistan, to produce more and more cotton; let's have more cotton so that we can feed Cuba, Korea, and the whole socialist camp with cotton.

It was this barbaric use of water resources that led to the Aral tragedy.

Our achievement in the post-Soviet period is that we, as you can see, five presidents are sitting around one table. Tell me, could we have arranged a meeting of the five republics of Central Asia and Kazakhstan, the five heads of these republics, in Soviet times? Never. No one would have let it happen.

So I turn the question around: It is precisely the conditions of our independence, the conditions which have developed, which have allowed us to appeal to the world public, as Nazarbayev said. In the conditions prevailing in the Soviet Union the problem was not even raised. Now we appeal to the world public and the United Nations. An opportunity has appeared before us. And this creates an opportunity to solve this global task in the conditions of the world community.

[Unidentified correspondent] Will there be any controls? There are a lot of temptations to solve other problems with this money.

[Nazarbayev] First, the donors themselves will control where the money goes better than we could do. The money will be allocated not to each individual country, but to tackle the whole regional problem of the states situated in the Amudarya and Syrdarya basins. Therefore, our Interstate Council and its Executive Committee is selecting seven practical projects. Implementation of the projects will be funded and supervised by those who grant the money. I think we will have an opportunity to inform you about this.

[Second unidentified correspondent] What is Russia's position on this tragedy? Has Russia shown any interest in the issue? Are Russian experts participating? What specifically are they doing and what are they proposing?

[Turkmen President Saparmurad Turkmenbashy Niyazov] We exchanged views both with Boris Nikolayevich Yeltsin and Russian Premier Chernomyrdin on Russia participating in this meeting. It was originally planned that a Russian vice premier would come, but in view of certain difficulties and the timescale it was subsequently decided that the Russian delegation would be headed by the chairman of the committee on water resources. However, due to circumstance they were unable to arrive yesterday. But in general, all the issues are being coordinated with scientists and planning institutions in Russia. A number of major issues are being coordinated with the Russian Government.

Has Nursultan Abishevich Nazarbayev anything to say on this?

[Nazarbayev] Russia is officially taking part in this process. The Russian Government officials attended the Kzyl-Orda and Nukus meetings, and they confirmed that Russia will bear the expenses of the project together, and that Russia considers the problem as its own affair.

But I have to say something on my own behalf and which I am also saying on the instructions of my colleagues: We send our condolences to the Ostankino Public Television Company on the death of Vladislav Listyev, the comrade-in-arms of all you correspondents who are here, and to express our condolences to his nearest and dearest.

We think Russia will participate in future. The fact that there are no Russian representatives here today means nothing.

We want to tell the peoples of all the Central Asian states that, in spite of these difficult times, we are making as much effort as we can to gradually resolve the Aral problem through our own work and the efforts of the international community, which we note with much gratitude. Thank you. [end recording] [passage omitted]

ITAR-TASS Carries Press Review for 7 Mar

LD0703070095 Moscow ITAR-TASS in English 0515 GMT 7 Mar 95

["Press Review"—ITAR-TASS headline]

[FBIS Transcribed Text] Moscow March 7 (TASS)—The assassination of well-known tv anchorman Vladislav Listyev remains one of the main topics of today's Russian press. All newspapers carry reports and picture stories from the Vagankovo cemetery in Moscow where the slain TV star was buried.

Informing its readers of the resignation of the Moscow police chief and the chief prosecutor, the KOMSOMOLSKAYA PRAVDA newspaper notes that "The death of Vladislav Listyev served only as a pretext for a long planned dismissal of these officials".

The daily supposes that these are "the first signs" in a series of coming resignations and that "reshuffling of the Moscow leadership will continue". The newspaper does not preclude a chance that "the next notorious murder will lead to a resignation of Moscow Mayor Yuriy Luzhkov becoming unruly".

Commenting on these resignations in the IZVESTIA newspaper, legislator Boris Fyodorov (who resigned from the post of finance minister in the past) said that "dismissal of petty officers is our Soviet method".

Noting that many top officials in the Army and the Interior Ministry cover their incompetence with clamours to boost appropriations, Fyodorov proposed to put an end "to treating the tail of a fish" whose "head is rotten".

"It is highly improbable that our party will back Boris Yeltsin (eds: at the 1996 presidential elections) if he joins the race", leader of the Russia's Democratic Choice party Yegor Gaydar said in an interview with IZVESTIA.

He stressed that the party does not support president Yeltsin's policy in Chechnya.

The Russian media continues to give extensive coverage to the Chechen events. Referring to information from Movlen Salamov, assistant to Chechen separatist leader Dzhokhar Dudayev, the NEZAVISIMAYA GAZETA newspaper reports that the military operation in Chechnya killed 27,000 civilians, including 4,000 children and 12,000 women.

According to Salamov, 18,000 Russian troops were killed over the same period, some 70,000 were wounded, 20,500 of whom will remain invalids for good.

Speaking in an exclusive interview with the Army newspaper KRASNAYA ZVEZDA, chief military prosecutor from the Russian Prosecutor-General's office Stanislav Gaveto said: "The military prosecutor's office instituted 40 criminal cases over the three months of combat operations in Chechnya and another ten are in a state of inquiry at commanders".

According to Gaveto, this is "60 per cent lower than the national level". Seven cases were instituted on facts of lawless actions against civilians.

IZVESTIA writes about the start of monetary privatisation in Russia. Property of more than 100 enterprises will be auctioned off in March. Revenues from the sale of state property will total 9,100 billion roubles in 1995. Half of the sum will be received from marketing federal property, and the other half—from municipal property.

All newspapers publish materials by politicians, actors and writers on the occasion of March 8, Women's Day. The PRAVDA, RABOCHAYA TRIBUNA, ROSSIISKAYA GAZETA and TRUD devote almost fully their today's issues to the life of women "against the background of Russian reforms".

According to information from the ROSSIISKIE VESTI daily, women parliamentarians make up 11.4 per cent of the legislature, over 50 per cent work at administrative bodies at the federal level, more than 50 per cent—among chairmen of district and city courts, over 40 per cent—at the bar, two women head federal ministries and departments and 16 per cent are among chaimen of supreme courts in member regions and republics of the Russian Federation.

Christopher Comments on Yeltsin Seen as 'Gross Interference'

MM0703084595 Moscow ROSSIYSKAYA GAZETA in Russian 7 Mar 95 First Edition p 1

[Article by Vladimir Kuznechevskiy and Vladimir Berin: "Who Will Appoint Our President?"]

[FBIS Translated Text] Radio Liberty broadcast a sensational report 1 March, the like of which it is hard to recall. In order for you to understand what we are talking about we will cite the most detailed version thereof (found in EFIR-DAYDZHEST).

During a meeting with an Italian delegation in Washington, U.S. Secretary of State Warren Christopher uttered a sensational phrase.

Christopher was prompted into being uncharacteristically frank by the Italian foreign minister, who asked him pointblank whether the West should continue backing Boris Yeltsin, to which the secretary of state replied: **"Now the world should possibly be seeking an alternative to him."** A simply sensational phrase. No U.S. leader prior to this had ever dared to be so blunt....

In February acting CIA Director William Studeman said during the Senate hearings that, according to his agency, Boris Yeltsin will be forced to resign if his present policy does not bear fruit soon, so to speak....

What might the secretary of state's sensational admission mean? Here is the opinion of U.S. specialist Clifford Geddi [surname as transliterated]:

"We constantly hear White House statements of loyalty to President Yeltsin. At the same time many professionals, leaders of government services, even people in the Department of State are critical of this inexplicable emphasis on one man. It is quite likely that this pressure has reached critical point and that Warren Christopher himself is preparing public opinion for a new turn of events...."

The Italians, according to them, emerged from their meeting with Christopher with the feeling that **it is time to seriously contemplate who will replace Boris Yeltsin.**

That was the sensational report carried by Radio Liberty.

For any citizen of Russia who calls it HIS rather than THIS country, such statements and opinions sound simply crazy because what we have is outright, gross interference in the internal affairs of a sovereign state and member of the United Nations. Someone somewhere, even at the top echelons of power in other states, is daring not only to analyze the "subject of Russia," but also to modify, influence the course of our historical development.

If we go into this logic more deeply it turns out that in 1991 it was not the Russians who elected Boris Yeltsin as their president by nationwide ballot but that he was brought to us packed in a trunk from the West.

Come, come, gentlemen!

Russia is now in crisis. But it is not in such crisis that it cannot handle its own problems itself. We ourselves elected our authorities, we ourselves, and the time will come when we will reelect them.

But the way in which the question was put is interesting. Should we not avail ourselves of this logic? We like the incumbent U.S. President, say, and he suits us. Whom do they intend to elect there in 1996? Should we in Moscow not pick our candidate for the Americans? Someone from America of course, but our man?

No Official Reply From Washington to Moscow Invitation

LD0603171495 Moscow ITAR-TASS in English 1627 GMT 6 Mar 95

[By ITAR-TASS correspondent Andrey Shtorkh]

[FBIS Transcribed Text] Moscow March 6 TASS—"To accept or not to accept (Russian President) Boris Yeltsin's invitation to arrive in Moscow in May to attend celebrations devoted to the 50th anniversary of the victory over Fascism is a personal business of U.S. President Bill Clinton and the Washington administration," a high-ranking representative of the Russian president's administration said.

In an interview with ITAR-TASS on Monday, the official said that there has been no official reply from Washington as to whether or not President Clinton has accepted the invitation.

However, this fact does not cause any concern in Moscow because the Russian side has taken all necessary steps and now "the ball is on the American side of the field," he said.

The official refused to comment U.S. Ambassador Thomas Pickering's statement about the possibility of Clinton's visit to Moscow and the unconditionality of a bilateral summit meeting in the first half of the year.

The U.S. ambassador described as an invention mass media reports that the Russian-U.S. summit expected to be held in spring may not take place.

Pickering, who is touring the Russian Far East, told Yevgeniy Nazdratenko, the governor of the Maritime Territory, on Monday that Bill Clinton and Boris Yeltsin are sure to meet in Moscow after which the U.S. leader plans to visit Vladivostok, the press service of the governor said.

Pickering invited Nazdratenko to participate in the forum of U.S. governors scheduled to take place at the end of 1995.

Prospects for Clinton Visit Assessed

MM0703110195 Moscow IZVESTIYA in Russian 7 Mar 95 p 3

[Report by Vladimir Nadein: "He Loves Us, He Loves Us Not; Yes He's Coming, No He Isn't. This Is the Degree of Certainty With Which Bill Clinton's Visit to Moscow Can Be Predicted"]

[FBIS Translated Text] Washington—President Bill Clinton promised to visit President Boris Yeltsin in late spring. When exactly, for how many days, and with what agenda is not known. If we are being really precise, it is not known whether he will come at all, because the president's promise contained transparent hints that then final decision would depend on circumstances. Of course, this referred to circumstances in Russia.

Thus the boat of Washington's Russian policy has listed from side to side, and fairly sharply at that. Then suddenly Secretary of State Warren Christopher, a restrained gentleman with a professorial air, told Italian Foreign Minister Susanna Agnelli that, quote, it is time the West thought about a Russia without Yeltsin.

True, a little later it emerged that U.S. commentators had based their account on the Italian account. It is actually known that the Italian expressed herself thus: "Everybody says Yeltsin must be supported, Yeltsin must be supported. But what is happening in Chechnya is extremely scandalous. And, simply by observing Yeltsin on television, I do not think that he is fully in control of his thoughts."

The argumentative Agnelli said this at a news conference. But an hour before this, when talking to the secretary of state, she expressed a similar doubt as to whether the West should continue to support the Russian president. Apparently she received the following rejoinder in reply from the secretary of state: It is time the West thought of an alternative to Yeltsin.

The world learned of this rejoinder from an Italian official. But when speaking in Congress the previous day, Christopher said something else—and there are the documents, witnesses, and records to prove it.

The secretary of state said that "according to the most reliable information that we have, and according to our own conclusions, he (Boris Yeltsin) is in control of the situation, he is in charge of the country. The (U.S.) President spoke to him by telephone Monday. We believe that he (Yeltsin) is leading, making important decisions in the usual way."

When asked by Senator Olympia Snowe "what is Boris Yeltsin's state of health?"—currently the most fashionable question on the subject of Russia—the secretary of state replied as follows: "You should not be surprised, senator, that as secretary of state I do not consider it sensible to make comments regarding the health or personal characteristics of certain government leaders."

Well said. Yet Russian Economy Minister Yevgeniy Yasin expressed himself better and more elegantly than anybody. All the journalists pricked up their ears when the same question was asked during a news conference. "In recent months I have seen the president only during the wreath-laying ceremony at the Tomb of the Unknown Soldier 23 February," Mr. Yasin said, at the same time making the reservation that he not a physician but an economist. "I was not standing next to the president but some distance away, but I did see that he had an excellent color [prekrasnyy tsvet litsa]. I wish I had such a color."

Inspiring information. If the economy minister sees his president by no means every week, and even then it is from afar, that means that the economy has an enviable color.

Yasin was able to talk one-on-one with U.S. President Clinton. Mr. Yasin sat next to the president at a dinner held within the framework of a conference organized by the Richard Nixon Center. The deceased president was one of the first to point out the farsightedness of Yeltsin's policies. At that time not many people supported the ex-president. Senator Bob Dole was one of the few.

This ironic 71-year-old man, who is considered a moderate and cautious politician, assailed Yeltsin. "Nobody supported President Yeltsin more than I did," Dole said. "In June 1991 I went to Andrews Air Force Base to greet President Yeltsin practically alone, because the entire State Department believed that, apart from Gorbachev, there was simply nobody to talk to."

In the opinion of Dole, who recently announced his aspirations to the presidency in the next election, "the Clinton administration's totally unjustified inclination toward the policy of 'Russia first,' which has turned into the policy of 'Yeltsin first,' has resulted in a missed opportunity to express forcefully U.S. concern over the thousands of people killed in Chechnya."

Dole stated that U.S. policy in relation to Russia must be based on a "new realism' in the sense that these two countries are rivals not friends, with conflicting national interests and foreign policies. President Clinton does not agree with this viewpoint. He classed it as a main success of his administration's Russian policy that for the first time the Americans are not living in the sights of anybody's missiles and that without Russia it would be impossible to prolong the chief agreement on a world scale: the Nuclear Nonproliferation Treaty.

The President also said that the United States had in no uncertain terms expressed its dissatisfaction to the Kremlin both regarding Chechnya and in connection with reformers' obvious alienation from Yeltsin.

Clinton described as "simply laughable" the supposition that the United States could pick and choose whether or not to talk to Russia's legitimate president purely on the grounds that it does not like particular aspects of his activity. Certain opponents were also annoyed when Clinton, referring to Chechnya, spoke not of the victims and destruction but of the "difficult problems" facing the Russian leader.

Yeltsin is the first democratically elected leader in Russia's entire 1,000-year history. The fact that he has "deeply disappointed his former admirers" by his "creeping authoritarianism" will make U.S. policy in relation to Russia more tactical than strategic.

Signals regarding the cancellation of Clinton's visit to Moscow (or, on the contrary, regarding more energetic preparation) will keep on alternating, replacing each other and keeping the Kremlin in suspense: Will he come or won't he?"

Nuclear Sites Pass Initial Inspection by U.S. Officials

LD0603174695 Moscow ITAR-TASS in English 1631 GMT 6 Mar 95

[By ITAR-TASS correspondent Mikhail Shevtsov]

[FBIS Transcribed Text] Moscow March 6 TASS—Initial inspections of Russian strategic nuclear sites by U.S. military experts have revealed no miscompliance of Russia with the Strategic Arms Reduction Treaty (START I), ITAR-TASS was told today in the Russian Foreign Ministry's information department.

The U.S. inspectors visited Russian nuclear missile bases near Kostroma and a dismantled missile base, Yasnaya, 200 km east of Chita. The Defence Ministry said "the American side has confirmed that installations which were reported by Russia and listed as under effect of START I were present in areas of stationing".

Two more U.S. inspector groups came to Moscow on March 5, but the sites to be inspected by them have not been disclosed so far.

The ministry's information department also said that a Russian group of inspectors, led by Major General Vyacheslav Romanov, chief of the Russian national nuclear danger reduction centre, first went to the United States on March 4 for inspections in the U.S.' west.

Mutual verification of reported numbers and types of strategic arms was started by the U.S. and Russia on March 1 under the START I agreement which was signed on July 31, 1991 and came into effect on December 5, 1994.

As of December 5, 1994 Russia reported to have 1,603 carriers and 6,921 warheads and the U.S. 1,838 carriers and 8,824 warheads.

In four months from March 1, the American experts are to carry out 56 inspections in Russia and five inspections of Russian bases temporarily deployed in Belarus and Kazakhstan.

The U.S. inspectors will also examine Ukraine's strategic nuclear sites.

Provisions of START I allow Russia, Belarus and Kazakhstan 35 inspections in the U.S.

Deputy Minister: No European Security Without Russia

LD0203180295 Moscow INTERFAX in English 1437 GMT 2 Mar 95

[FBIS Transcribed Text] MOSCOW, March 2 (Interfax)—European security cannot be warranted without accounting for Russia's interests, Deputy Foreign Minister Nikolay Afanasiyevskiy believes.

The new US-European relationship would be asymmetrical without Russia as a pillar, he told an international seminar on European security in Moscow on Thursday.

Afanasiyevskiy said the will for common security and partnership in Europe was undergoing a trial test. He warned against Russia's isolation from European decision making and called to intensify dialogue with Western and Central Europe.

The Russian diplomat said that since NATO was in the focus of his country's relationship with Western Europe, Moscow and NATO must work out a mechanism of consultations on more sensitive issues over an interim period. He made it clear that negotiations to this end were already under way.

Afanasiyevskiy stressed that both Russia and NATO did no longer view each other as potential adversaries. He spoke of serious albeit few transformations taking place inside the alliance. As an example, he pointed to NATO's newly-emerging awareness of the need of "special relations" with Russia.

EU Refuses To Sign Agreement Until Chechnya Cease-Fire

LD0603165595 Moscow ITAR-TASS World Service in Russian 1338 GMT 6 Mar 95

[By ITAR-TASS correspondent Aleksandr Mineyev]

[FBIS Translated Text] Brussels, 6 Mar (ITAR-TASS)—The EU will not sign an interim agreement on trade and partnership with Russia until an effective cease-fire in Chechnya is reached, diplomatic sources said at the EU's Council, where a regular meeting of its foreign ministers is being held today. At the same time, a visit to Moscow by the leading "triumvirate", consisting of the foreign ministers of France, Germany, Spain, and Hans van den Broek, a member of the European Commission, scheduled on 9 March will take place. These sources clarified that the active military operations in Chechnya during the past weekend made the signing of the important document impossible.

The interim agreement is aimed at facilitating implementation of the trade and economic part of the agreement on partnership and cooperation between the EU and Russia which was signed by Russian President Boris Yeltsin on Corfu last summer.

Chernomyrdin Visit to Western Europe Reviewed

MM0703100695 Moscow ROSSIYSKAYA GAZETA in Russian 7 Mar 95 First Edition p 1

[Article by RIA-NOVOSTI's Aleksey Volin and Vitaliy Dymarskiy specially for ROSSIYSKAYA GAZETA: "Without Skepticism. Results of Chernomyrdin's Visit to Western Europe"]

[FBIS Translated Text] V.S. Chernomyrdin's visit to Western Europe is over. It passed off without difficulties; the Russian delegation largely succeeded in performing its assigned tasks. The wide range of problems discussed in London and Paris can be reduced to two main blocks: Russia's political and economic relations with the West and the state of and prospects for Russo-British and Russo-French cooperation.

V.S. Chernomyrdin succeeded in eliminating the skepticism regarding the prospects for democratic transformations and the future of economic reforms in Russia that has arisen in the West since the military operations in Chechnya began.

Opinions were exchanged on NATO's eastward expansion, the building of European security, and Russia's relations with the West's leading political, economic, and financial organizations.

V.S. Chernomyrdin was able to persuade members of the West's political and business circles of the need to resolve the Chechen problem and that there will be no radical changes in the implementation of economic reform in Russia.

Matters pertaining to the settlement of Russia's debts were partially settled.

Disagreements with the IMF were eliminated; the latter has promised to provide $6.3 billion in credit.

Contacts have been established with the European Bank for Reconstruction and Development and with the Organization for Economic Cooperation and Development.

It proved possible to resolve the question of the urgent signing of a temporary trade agreement between Russia and the European Union [EU]. This will make it possible to remove many painful problems for Russia associated with the discriminatory conditions governing the access of Russian commodities (primarily, aluminum, steel, and textiles) to EU markets.

One of the Russian delegation's main aims was to enlist foreign investors. Our premier told Western businessmen that in the near future there are plans to carry out a series of measures aimed at creating a favorable climate for foreign businessmen to operate in.

These innovations and projects, in the Russian premier's opinion, will make it possible to increase the volume of foreign investment from $4 billion to $12-14 billion.

In summing up the results of the visit, several conclusions can be drawn. The Chechen crisis has not destabilized Russia's relations with the West. V.S. Chernomyrdin was able to persuade representatives of political and business circles that the planned reform course will continue. The Russian leadership's endeavor to emphasize the development of economic ties with industrially developed countries meets with their understanding and support. The galvanization of trade, economic, and financial cooperation with the West can be expected provided that the domestic political situation in Russia does not deteriorate.

Further on Chernomyrdin Visit to France

Russian-French Cooperation Council Meets

LD0303173695 Moscow ITAR-TASS in English 1607 GMT 3 Mar 95

[By ITAR-TASS correspondent Andrey Krasnoshchekov]

[FBIS Transcribed Text] Paris March 3 TASS—An official French visit of Russian Prime Minister Viktor Chernomyrdin began here today to make a step in consolidation and development of bilateral political, trade and economic relations, member of the Russian governmental delegation and vice-premier Sergey Shakhray told correspondents here today.

The second session of the Russian-French Council for Economic, Fiscal, Industrial and Trade Cooperation started here today under the chairmanship of Sergey Shakhray and French Minister of Economy Edmond Alphandery in view of Chernomyrdin's visit. The session is even more important since the council has not met since 1992 and it was necessary to show the business communities that the Russian and French governments will create the most favorable conditions for bilateral partnership and ensure reliable guarantees for French investors in Russia, said Shakhray.

The final document of the session voices further development of bilateral cooperation and says that this provision will be confirmed by the French visit of Viktor Chernomyrdin, said Shakhray.

Mitterrand Accepts Invitation to Moscow

LD0303203495 Moscow ITAR-TASS World Service in Russian 1855 GMT 3 Mar 95

[By ITAR-TASS correspondents Gennadiy Yezhov and Mikhail Kalmykov]

[FBIS Translated Text] Paris, 3 Mar—The main theme of the conversation that took place in the Elysee Palace between French President Francois Mitterrand and Russian Government Chairman Viktor Chernomyrdin was the conceptual problem of the future architecture of Europe.

Chernomyrdin conveyed greetings and best wishes from Russian President Boris Yeltsin to the head of the French state and confirmed the invitation to Mitterrand to come to Moscow for the 50th anniversary victory celebrations. The invitation was accepted.

Chernomyrdin told an ITAR-TASS correspondent that the problems of European and world politics and the relations between Russia and the European Community were discussed at the meeting. He assessed highly the president's support for Russia's efforts to carry out reforms and join in European cooperation.

In reply to a question from an ITAR-TASS correspondent, the head of the Russian state said that he had found Mitterrand "in good, excellent form."

Chernomyrdin Holds Talks With OECD Head

LD0303193695 Moscow ITAR-TASS in English 1810 GMT 3 Mar 95

[By ITAR-TASS correspondents Gennadiy Yezhov and Mikhail Kalmykov]

[FBIS Transcribed Text] Paris March 3 TASS—Russian relations with the Organization for Economic Cooperation and Development (OECD) have been fruitfully developing. A meeting of Russian Prime Minister Viktor Chernomyrdin and Organization Secretary-General Jean-Claude Paye held here today has helped to consolidate the relations even more. The Russian premier is currently in Paris on an official visit.

A package of Russian-OECD agreements signed last year upgraded bilateral relations and was supplemented with a working program of bilateral cooperation introduced early this year.

The program provides for the use of OECD experience for economic regulation at the macro-economic and branch levels and in Russian transformations. The interaction includes OECD consultative- technical assistance to Russia, training of Russian managers at the OECD training base, Russian use of the OECD data bank and future participation of Russian representatives in the OECD working bodies as observers.

The equal and partner dialogue with the OECD urged by Russia will help the efforts to form a civilized and working market economic mechanism, noted the meeting of Chernomyrdin and Paye.

Paye told ITAR-TASS that Russia is a state that has considerable influence on the state of the world market, and the OECD is interested in development of bilateral cooperation in various spheres and assistance to Russian reforms.

Chernomyrdin Meets French Businessmen

LD0403121995 Moscow ITAR-TASS in English 1209 GMT 4 Mar 95

[By ITAR-TASS correspondent Gennadiy Yezhov and Mikhail Kalmykov]

[FBIS Transcribed Text] Paris March 4 TASS—"Russia strives for equal partnership and mutually advantageous economic relations with the West. The Russian Government abides by a viewpoint that firm stabilisation can be achieved only if private (including foreign) investments are increasingly made in our economy," Russian Premier Viktor Chernomyrdin said at a meeting with members of the French business community in Paris this Saturday.

These fruitful contacts took place during the second day of the Russian premier's official visit to the French capital.

Chernomyrdin was hosted by the National Council of French Entrepreneurs uniting major firms and companies, many of which step up their activities on the Russian market. Then, the Russian cabinet head met the leadership of the Gas de France company maintaining long-standing close relations with the Russian Gazprom joint stock society.

Chernomyrdin informed in detail Gas de France representatives of efforts taken by the Russian Government to implement market reforms and replied to numerous questions concerning legal guarantees of foreign investments in Russia as well as a settlement of the problem of Russian debts.

The premier positively described the results of the second session of the Russian-French council on economic, financial, industrial and trade cooperation which ended in Paris on the eve of his visit.

Its results, he said, helped to come to specific understandings during the talks with French Premier Edouard Balladur on possible ways of reaching solution of problems regarding the use of the rich potential in bilateral relations.

Shakhray Briefs Media in Paris on Chechen, Political Issues

LD0303185895 Moscow ITAR-TASS in English 1742 GMT 3 Mar 95

[By ITAR-TASS correspondent Andrey Krasnoshchekov]

[FBIS Transcribed Text] Paris March 3 TASS—Interference by force was the only way to restore constitutional order in Chechnya after the failure of repeated attempts of the Russian authorities to achieve Chechen settlement in a peaceful way, Russian Vice-Premier Sergey Shakhray told Russian and French correspondents here today. He is currently in Paris with a Russian governmental delegation headed by Prime Minister Viktor Chernomyrdin.

"All the political initiatives of Moscow were rejected by the Dudayev criminal regime and a threat to Russian territorial integrity appeared," stressed Shakhray. "The use of federal troops in Chechnya became necessary because the law-enforcement bodies could not suppress the armed revolt of Chechen separatists on their own." At the same time, Shakhray admitted that "the military measures were excessive and inadequate to the situation which resulted in violation of human rights".

Shakhray expressed gratitude to French leaders for official French support to the principle of Russian territorial integrity. At the same time, he said they understand the French concern over violations of human rights in Chechnya directly related to the military operation. Speaking of prospects for political settlement in the Chechen Republic, the vice-premier stressed "it is first of all necessary to decide on the subject of negotiations with the Chechen side".

Shakhray voiced his concern over the increasing regional separatism in various parts of the globe and said, in his opinion, separatism-related crises may result in a global conflict. "Only united international efforts will help get rid of the 'political aids of the 20th century'", said Shakhray.

Asked about the reasons for the crime situation in Russia, Shakhray said "the on-going reforms entail changes in property relations, and this inevitably caused the growth of economic crimes. Their echo has reached Paris". In the opinion of the vice-premier, the relative inefficiency of the Russian "power" structures is caused by the on-going formation of Russian statehood and the lack of legislative basis for measures against new types of crimes. "We have things to learn from the French law-enforcement bodies," said Shakhray.

Speaking of parliamentary and presidential elections in Russia, Shakhray said they will be held in due time. "I am not planning to run for president in 1996, but I will become Russian president in future," he added.

The vice-premier made no comments on possible winner of the French presidential elections scheduled for April-May 1995. "I cannot make comments on the issue since this may be estimated as an attempt to interfere in internal affairs of another state, but I am sure it will be a person worthy of France and French people," he said.

Talks on Sale of Ukrainian Bombers Stalled

MM0303100195 Moscow ROSSIYSKAYA GAZETA in Russian 2 Mar 95 First Edition p 6

[Article by Boris Glebov: "Second-Hand Wings. Russo-Ukrainian Talks on Transfer of Strategic Bombers Deadlocked Again"]

[FBIS Translated Text] The possibility of Russia being sold the Ukrainian "share" of the former Union's strategic aviation was mentioned for the first time on the eve of Ukrainian President Leonid Kuchma's recent visit to Moscow. If this deal goes ahead, it will considerably improve the climate of mutual trust between the two countries, in a most delicate political sphere, moreover—Russia's guarantees of Ukraine's sovereignty.

It is no secret that immediately after the collapse of the USSR many fairly influential Ukrainian politicians propagandized in one way or another the idea of Ukraine as an independent nuclear power. Their own Ukrainian nuclear weapons were regarded as a guarantee against any encroachments on the country's sovereignty, primarily from Russia.

Then political passions subsided; Ukraine proclaimed itself a nuclear-free state after receiving international guarantees of its sovereignty.

Everything was fairly clear with regard to fixed-site nuclear missile silos: Following the removal of the warheads, missiles, and equipment the silos are to be securely sealed.

But what is to be done with the strategic bombers—the nuclear delivery vehicles? According to official figures, there are currently 19 strategic Tu—160 bombers and 23 Tu-95MS bombers in Ukraine.

These aircraft are no ordinary aircraft, but simply "worth their weight in gold." The state-of-the-art, until recently top-secret Tu-160 (in U.S. terminology Blackjack) carries around 12 nuclear cruise missiles and reaches an altitude of 15 km.

All these aircraft are carefully (one by one) counted by international experts and the total number, along with the remaining nuclear delivery vehicles in Russia, must not exceed the agreed limits of the START-I Treaty.

Russian President Boris Yeltsin displayed good will back in 1992 by issuing an edict suspending production of the Tu-160's. That is the crux of the problem.

Strategic aviation is an important link in ensuring Russia's security. But following the collapse of the USSR Russia lost a large—and the best—chunk of its strategic aviation. Russian strategic aviation today has only five Tu—160 aircraft, production of which is hampered by financial problems in addition to the above international commitments. Russia simply does not have the money for this kind of project.

The only solution is to acquire second-hand bombers from Ukraine.

Theoretically this kind of deal is extremely beneficial for Russia; moreover, Ukraine has no need for these aircraft (they are more a burden than an asset).

During combat alert duty a strategic bomber spends weeks "up" in the stratosphere. It is refueled in midair.

Pilots take turns at the controls. Ukraine currently has few military pilots who meet these requirements and it also has a short supply of aviation fuel and spare parts for the aircraft.

Although there is every indication that in Russia too the real situation as regards strategic aviation is little better than in long-suffering Ukraine, the problems are similar.

But if Russia is having tremendous difficulty today in ensuring the normal operation and servicing of its strategic aviation, will our country's budget be able to stand up to buying and maintaining another 42 strategic bombers in a state of combat readiness?

Incidentally, let me say a word about Russia's buying Ukraine's bombers: According to recent figures provided by the Russian Air Force High Command, the Russo-Ukrainian talks on the sale of the aircraft have once again become deadlocked.

The talks themselves are being conducted by the two countries' military experts. The intention was then to submit the experts' findings in the form of a report to Colonel General Anatoliy Malyukov, chief of the Russian Air Force Main Staff, and then to Colonel General Mikhail Kolesnikov, chief of the Russian Armed Forces General Staff.

On the whole this entire deal is the fruit of an economic initiative on the part of the Russian and Ukrainian defense departments.

According to the Russian Defense Ministry, one of Ukraine's conditions for the deal is that 80 percent of the value of the sold aircraft should be used to pay off Ukraine's debt to Russia, 15 percent should pay for Russian deliveries to Ukraine of aviation fuel and fuel and lubricants, and 5 percent for spares for Ukrainian military aviation.

It was not these percentages but the overall cost of the deal that proved to be the stumbling block.

The Ukrainian side valued the aircraft at $75 million, but Russian experts discovered that only seven of the 19 Tu-160's are fit for use. The other 12 are only fit for ground training for the Museum of Aviation (as one of our experts put it frankly).

Yet the cost of these aircraft accounts for almost a half of the total deal.

Needless to say, the country's defense capability must be strengthened, but the Russian budget is by no means a bottomless pit. Under these circumstances should we buy scrap metal from Ukraine at the price of gold ingots?

Envoy Says Moscow Willing To Aid Karabakh Settlement

LD0203184495 Moscow INTERFAX in English 1541 GMT 2 Mar 95

[From the "Diplomatic Panorama" feature: by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others]

[FBIS Transcribed Text] MOSCOW, Mar 2 (Interfax)—Moscow is in favor of establishing direct contacts between all parties involved into the Karabakh conflict and "is ready to contribute to such contacts by all means," the Russian president's Envoy for Settlement in Nagorno-Karabakh Vladimir Kazimirov told Interfax today.

He said Russia had several times organized such direct contacts proceeding from the belief that they contribute to reaching mutual understanding and resolving disputed issues.

However, Kazimirov said he believed that the present, "sometimes completely opposite, positions of the conflicting parties seriously hinder direct talks." He said mediatory services seemed "quite useful for the parties coming closer together on a middle-way compromising basis."

Commenting on the unwillingness of Azerbaijan to recognize Nagorno-Karabakh as a party to the conflict, Kazimirov said there could be no other approach but a realistic one. He said any dogmas could seriously hamper development of talks.

Kazimirov said he believed that the process of settlement in Karabakh was "moving forwards but very slowly." He said he would like "the movement forwards" to bring more results after the ten-month ceasefire. He regretted that such a long period of time had not been used for the conflicting parties concluding a political agreement. He said such a political agreement could cement the ceasefire regime and open the way to beginning a peacekeeping operation and calling the OSCE Minsk conference.

Kazimirov said another round of talks on Karabakh settlement was expected to take place in late March. He said that in March the OSCE [Organization for Security and Cooperation in Europe] Minsk Group was likely to hold consultations on the issue first without and then with participation of the conflicting parties.

LUKoil To Set Up Joint Venture With Azerbaijan, Italy

LD0203193495 Moscow INTERFAX in English 1639 GMT 2 Mar 95

[FBIS Transcribed Text] MOSCOW, Mar 2 (PIA-Interfax)—The Russian oil concern LUKoil and the State Oil Company of the Azerbaijani Republic set up a joint venture to operate two oilfields on the Caspian shelf, a LUKoil official told Interfax's Petroleum Information Agency.

Azerbaijan will give the new joint venture title to operate the Kiyapaz and Karabakh oilfields whose stores are estimated by SOCAR experts at 190 million tonnes. The two founders also guaranteed that Italian Agip SpA, incorporated in the ENI concern, will participate in the project.

The PIA found that the Italian company will provide most of the funds while LUKoil will look after technical matters. LUKoil officials declined to specify the amounts to be invested.

They did not rule out the setting up of a consortium between LUKoil and Agip if the Italian company had several percent of the Azerbaijani 20 percent in the Azeri and Chirag oilfield project.

LUKoil, which signed an agreement with Agip in spring 1994 on strategic cooperation in oil extraction, owns 10 percent of the capital in the international consortium set up to develop oilfields on the Azerbaijani shelf.

Grachev, FRY Counterpart Sign Cooperation Accord

MM0203165595 Moscow KRASNAYA ZVEZDA in Russian 2 Mar 95 p 1

[Report by Sergey Sidorov: "Visit Completed"]

[FBIS Translated Text] Army General Pavel Grachev and Pavle Bulatovic, the Russian and Federal Republic of Yugoslavia [FRY] defense ministers, signed an Agreement on Military Cooperation Tuesday [28 February] evening. The document, drafted by experts after the first meeting between the ministers, will come into force after the sanctions imposed against the FRY by the UN Security Council in the spring of 1992 have been lifted.

The Yugoslav delegation held another two meetings on Wednesday, the final day of the visit. Bulatovic met with Sergey Shoygu, head of the Russian Federation Ministry for Emergency Situations, while Colonel General Momcilo Perisic, chief of the FRY General Staff, met with Colonel General Mikhail Kolesnikov, chief of the Russian Federation Armed Forces General Staff.

Bulatovic visited the memorial complex at Poklonnaya Gora. In the second half of the day the Yugoslav delegation departed for home.

Diplomat: Yeltsin Not To Attend Celebrations in Austria

LD0303152995 Moscow INTERFAX in English 1425 GMT 3 Mar 95

[FBIS Transcribed Text] MOSCOW, Mar 3 (Interfax)—Because of his busy agenda, Russian President Boris Yeltsin will not be able to go to Vienna to attend the celebrations to mark the 50th anniversary of the Second Austrian Republic, a senior Russian diplomat told Interfax.

Yeltsin was formally invited to attend the jubilations by Austrian President Thomas Klestil.

At the same time, Moscow does not rule out that the Russian president will visit Vienna later this year, he said.

The diplomat expressed surprise at Austrian reports saying that during recent talks in Moscow, the Russians linked Yeltsin's visit to Vienna with the adoption of a joint declaration reaffirming Austria's neutrality and the 1955 Soviet-Austrian treaty. He described such as assertions as being false "though we believe that mention must be made of the 1955 treaty in the declaration's preamble".

The diplomat stressed that the 1955 deal was an open-ended and fundamental treaty for bilateral relations. On Austria's neutrality, he said this was enshrined in one of the Austrian laws and linked with the 1955 treaty indirectly. The diplomat pointed to opinion polls which indicate that most Austrians prefer their country to remain neutral.

In the meantime, the diplomat stressed that work was in progress on the wording of a joint declaration which he hopes will be finalized before Yeltsin's visit to Vienna.

Baghdad to Volkogonov: Iraq Holds No Kuwaiti Captives

LD0203170395 Moscow INTERFAX in English 1541 GMT 2 Mar 95

[From the "Diplomatic Panorama" feature: reports by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others]

[FBIS Transcribed Text] MOSCOW, Mar 2 (Interfax)—Baghdad categorically denied the allegations that Iraq holds captives from Kuwait on its soil.

Not a single captive from Kuwait is left in Iraq. The allegations concern those who are missing. International Red Cross representatives and a special international trilateral commission are now looking into this matter, said a spokesman for Iraq's Foreign Ministry in a communique forwarded by the Iraqi embassy in Moscow to Interfax on Thursday.

According to the communique, the commission for investigating the disappearances of people led by General Dmitriy Volkogonov was informed about it during its visit to Baghdad.

The communique expressed surprise in connection with Volkogonov's assertions that Baghdad had agreed to give his commission a list of prisoners, and that some prisoners are held in Iraq.

Baghdad is willing to continue to cooperate with Volkogonov's commission so that a real picture could be obtained, but it is essential that General Volkogonov should be fully objective when he makes statements on this issue, the communique pointed out.

Zhirinovskiy Calls For Lifting Blockade of Iraq

LD0303135095 Moscow ITAR-TASS in English 1335 GMT 3 Mar 95

[By ITAR-TASS parliamentary correspondent Ivan Novikov]

[FBIS Transcribed Text] Moscow March 3 TASS—The Liberal Democratic Party of Russia [LDPR] led by Vladimir Zhirinovskiy favours lifting the blockade of Iraq, according to Zhirinovskiy himself, who spoke about results of a recent visit to that Arab country by a delegation from his party in parliament.

Zhirinovskiy, who was speaking at a press conference at the State Duma today, said Iraq was in a very difficult situation because of the blockade imposed by the world community.

He stressed that not a single Russian human rights activist is interested in the death of children in Iraqi hospitals because of the lack of medication. "Why doesn't Sergey Kovalyov go there?" he asked.

According to Zhirinovskiy, "Russia is not bound by U.N. resolutions on the blockade, and there is nothing to hamper our country's mutually beneficial trade with Iraq".

"We could begin to get our debt repayment from Iraq as early as tomorrow," the LDPR leader said. In his view the only obstacle is the position of the Russian leadership.

'Little Constructive' Seen in U.S. Line on Iraq

MM0303162695 Moscow KRASNAYA ZVEZDA in Russian 3 Mar 95 p 3

[Article by Vadim Markushin: "The 'Iraq Question' in Question"]

[FBIS Translated Text] To judge from recent statements made by official spokesmen for the U.S. Administration on the threshold of the special UN Security Council session, the United States has no intention of softening its stand on Iraq in the foreseeable future. Moreover, as White House Press Secretary Michael McCurry declared, it will veto any resolution providing for either a complete or partial lifting of economic sanctions against Iraq.

The U.S. Administration accounts for its reluctance to amend its line of behavior with regard to Iraq, despite clear signs that the international sanctions have played their part, with the categorical statement that "it is not yet expedient." It is not hard to guess what lies behind this niggardly "argument"—a generally banal desire to be sure to have it their own way. Despite petitions from Russia and France, despite the fact that the enmity fanned by the attack on Kuwait has clearly run dry even among Iraq's Near Eastern adversaries.

Naturally, there is little constructive in such a line. In Iraq the White House position is giving rise to more and more new outbursts of anti—Americanism accompanied by counteraccusations against Washington of using "cheap and nasty methods." Outside its borders, in neighboring countries, the political atmosphere has also thickened in this connection. In order to defuse it, it is necessary to remove Iraq's isolation and involve it in normal economic and political life.

Meanwhile Baghdad is continuing to put out signals about its ever increasing openness to the international community. For example, it confirms its readiness to continue ensuring conditions for the normal activity of the special UN Commission for Observing and Monitoring Iraq's Fulfillment of the Disarmament Provisions of Security Council Resolutions 687 and 715.

Also noteworthy is a recent statement by an official Iraqi Foreign Ministry spokesman that "not one Kuwaiti prisoner remains" on the country's territory. And that in this connection Iraq "does not object to any visit" by the special international commission to places of imprisonment to see this for itself.

Military Talks With Japan Focus on Contacts, Trust

LD0303133195 Moscow ITAR-TASS in English 1258 GMT 3 Mar 95

[By ITAR-TASS special correspondent]

[FBIS Transcribed Text] Tokyo March 3 TASS—The first high- level bilateral military contacts between Moscow and Tokyo focused today on the expansion of contacts between the Russian army and the Japanese defence forces, on problems of regional security and on measures to strengthen mutual trust in the military area.

Taking part in the negotiations were colonel-General Boris Gromov, the Russian deputy defence minister, who came to Tokyo as chief military expert of the Russian Foreign Ministry and member of the Russian delegation led by Foreign Minister Andrey Kozyrev, on the one hand, and deputy chief of the Japanese national defence board Shigeru Hatakeyama—on the other.

ITAR-TASS was today told by Colonel-General Gromov that the Russian side had offered a rather long list of concrete measures to strengthen mutual relations in the military area and had confirmed the invitation to Tokuichiro Tamazawa, chief of the national defence board, to visit Moscow this year.

Gromov Tables Proposals To Fortify Military Ties With Japan

LD0303150895 Moscow ITAR-TASS in English 1350 GMT 3 Mar 95

[By ITAR-TASS special correspondent]

[FBIS Transcribed Text] Tokyo March 3 TASS—The first high-level bilateral military talks between Russia and Japan today focused on the expansion of contacts between the Russian army and the Japanese self-defence forces, on problems of regional security, and on measures to strengthen mutual trust in the military area.

Taking part in the negotiations was Colonel-General Boris Gromov, the Russian deputy defence minister, who came to Tokyo as chief military expert of the Russian Foreign Ministry and member of the Russian delegation led by Foreign Minister Andrey Kozyrev, on the one hand, and deputy chief of the Japanese national defence board Shigeru Hatakeyama—on the other.

ITAR-TASS was told today by Gromov that the Russian side had tabled a rather long list of concrete measures to strengthen mutual relations in the military area. "They include," he noted, "invitations to military exercises, exchanges of various delegations, demonstrative flights of aircraft over the territories of Russia and Japan, and joint actions of naval forces, including mutual visits of warships. The main purpose of all these measures is to establish to this or that extent effective contacts in the domain of defence."

"The main purpose of all these initiatives," Gromov stressed, "is to contribute, with due account of our agreements with the United States and China, to the improvement of the situation and to ensure the security of the Asia-Pacific region." Gromov said that the Japanese side "had approached our proposals with understanding, stressing at the same time its desire to tackle all its problems at the current stage on a bilateral basis: Japan-United States, Japan- China, and Japan-Russia".

"In the course of the negotiations," Gromov stated, "we offered the Japanese side to discuss the problems linked with the adoption of some sort of an initial document, for instance, a memorandum on mutual understanding. However, the Japanese side approached this proposal with caution, stressing that the national defence board never signs any documents."

Gromov also said that the Russian side had confirmed the earlier invitation to Tokuichira Tamazawa, chief of the national defence board, to visit Moscow this year.

Official on Japan's Wish To Become Permanent UN Member

LD0503160095 Moscow INTERFAX in English 1425 GMT 5 Mar 95

[FBIS Transcribed Text] MOSCOW, Mar 5 (Interfax)—A senior Russian diplomat believes that the set of issues linked to Japan's desire to become a permanent member of the UN Security Council had to be approached in a thoughtful and balanced way.

He told Interfax Sunday that the Russian team, headed by Foreign Minister Andrey Kozyrev, in the talks in Tokyo called for signing of a peace treaty between the two countries before Japan became a permanent member of the Security Council. The diplomat said that the talks had been held in a calm atmosphere even though the Japanese misrepresented their results to a certain extent.

Kozyrev said at a news conference in Tokyo Saturday that Russia welcomed the increasing role Japan was playing in the UN and understood the desire on the part of Tokyo to engage in the work of the Security Council on a more permanent basis. Kozyrev noted that a special committee was active in the UN which analyzed the possibility of enabling the countries showing an interest in it to work in the Security Council on a more permanent basis.

He said that Russia would welcome that committees' decision facilitating interaction on this issue.

Kozyrev said that Moscow had suggested to the Japanese government that a document be drafted on cooperation in expanding the UN Security Council and making Japan its permanent member.

Japan Calls Kozyrev's Visit 'Substantive'

LD0703111095 Moscow ITAR-TASS in English 1049 GMT 7 Mar 95

[By ITAR-TASS correspondent Vladimir Kutakhov]

[FBIS Transcribed Text] Moscow March 7 TASS—Talks in Tokyo between the Russian minister of foreign affairs, Andrey Kozyrev and his Japanese counterpart Yohei Kono were "substantive", according to the press secretary of the Japanese Foreign Ministry Terusuke Terada.

Responding to a question from ITAR-TASS, the press secretary said: "The political significance of the talks consists in the fact that against a background of the world community's concern over the Chechnya events and Russian reforms, Japan received an opportunity to directly ask these questions.

"As concerns bilateral relations, in the course of our meetings both sides confirmed their commitment to the further development of the Russian-Japanese relations on the basis of the 1993 Tokyo Declaration.

"The sides agreed to look into the possibility of expanding their relations with a reservation that the territorial issue would be considered than a more favourable situation arises".

According to the press secretary, the accord on the beginning of negotiations on conditions under which the Japanese would be permitted to fish in the sea around the southern Kuril Islands was on of the concrete results of Andrey Kozyrev's trip.

"In the sphere of international politics, both ministers exchanged views on problems relating to the United Nations, the nuclear arms development in North Korea and some other problems.

"Most importantly, in the course of seven hours of talks, the ministers managed to deepen their bilateral relations based on mutual trust," the spokesman said.

Earlier, before the beginning of the briefing, Kidotai, reinforced mobile police groups, blocked all approaches to the building of the Japanese Foreign Ministry to protect it from Japanese right-wingers who had gathered to express their attitude to Russian-Japanese talks.

They demanded, among other things, that talks with Russia be conducted only after "securing guarantees of the return of the Northern Territories" to Japan.

Yeltsin Invites Jiang Zemin to WWII Commemorations

LD0203190595 Moscow ITAR-TASS in English 1738 GMT 2 Mar 95

[By ITAR-TASS correspondents Grigoriy Arslanov, Pavel Spirin, and Viktor Khrekov]

[FBIS Transcribed Text] Beijing March 2 TASS--President Boris Yeltsin invited China's Chairman Jiang Zemin to come to Moscow to attend May 9 celebrations of the 50th anniversary of victory in World War II, ITAR-TASS was told today by a Russian diplomat accompanying Foreign Minister Andrey Kozyrev on his tour of China and Japan.

Moscow To Help China Launch Manned Spacecraft

LD0303124795 Moscow ITAR-TASS in English 1123 GMT 3 Mar 95

[FBIS Transcribed Text] MOSCOW, Mar 3 (Interfax)—Within the next two months Russia and China may be expected to sign an intergovernmental agreement on cooperation in the launching of manned spacecraft, the general director of the Russian Space Agency Yuriy Koptev told Interfax.

According to Koptev, China is planning its first manned space flight for 2002. It is having no appropriate technologies for the realization of this venture but Russia, Koptev said, will help it "fill the gaps" in its space exploration program.

The agreement will envisage foolproof guarantees against the transfer of space technologies to a third country and may be signed mid next month when Russia's First Vice-Premier Oleg Soskovets visits China, Koptev said.

Yeltsin Signs Law on Amendments to Legal Codes

LD0703101995 Moscow ITAR-TASS in English 0958 GMT 7 Mar 95

[FBIS Transcribed Text] Moscow March 7 TASS—President Yeltsin signed today the federal law "On Changes and Amendments to the RSFSR Code of Laws on Marriage and Family, the RSFSR Penal Code, the RSFSR Criminal-Procedure Code and the RSFSR Code on Administrative Offences," a spokesman for the press service of the Russian president told ITAR-TASS today.

The law was adopted by the State Duma on February 10.

Yeltsin Orders Conference on Devolution of Power

LD0703111295 Moscow ITAR-TASS in English 1050 GMT 7 Mar 95

[FBIS Transcribed Text] Moscow March 7 ITAR-TASS—President Boris Yeltsin ordered to hold a conference on "Separation and Mutual Devolution of Powers by Federal Authorities and Subjects of the Russian Federation: Experience and Prospects", ITAR-TASS was told by the presidential press service Tuesday.

The conference is to be held in Moscow on March 24, 1995. It will be attended by delegates of the presidential administration, the Russian Nationalities Ministry, the Justice Ministry, federal executive authorities, the presidential Russian Academy of Public Service, Russia's regions and law scientists.

The conference's organising committee is chaired by Presidential Administration Head Sergey Filatov and Deputy Prime Minister Sergey Shakhray.

No Foreign Trips For Yeltsin Confirmed

LD0603133895 Moscow ITAR-TASS World Service in Russian 1210 GMT 6 Mar 95

[ITAR-TASS correspondent Andrey Shtorkh]

[FBIS Translated Text] Moscow, 6 Mar (ITAR-TASS)—Russian President Boris Yeltsin is not planning a trip to Austria at the end of April, and quite likely he will make no trips abroad, beyond the CIS borders, in the next two months, a high-ranking official of the president's administration told ITAR-TASS.

As reported earlier, Austrian President Thomas Klestil sent Boris Yeltsin an invitation to visit Vienna at the end of April, to take part in the festive ceremony in connection with the 50th anniversary of the liberation of Austria from fascism. Boris Yeltsin has so far sent no official reply, and the Austrian side reiterated last week that the invitation still stands and that the Russian president would be a desirable guest at the festivities. However, at the end of April Russia itself will be completing its preparations for the celebration of the anniversary of the victory over Hitlerite Germany, and Boris Yeltsin will be taking a most active part in the festivities, the ITAR-TASS correspondent learned from his source.

Yeltsin Goes Hunting To 'Ease Stress'

MM0703110495 Moscow KOMSOMOLSKAYA PRAVDA in Russian 7 Mar 95 p 1

[Report by Denis Baranets: "The President's Fleeting Grief"]

[FBIS Translated Text] After the president's meeting with journalists at "Ostankino," sources very close to him reported, he decided to relieve the stress. Picking up the president's mood from a half-glance, Security Service Chief General Korzhakov suggested to the president that he should go hunting at Zavidovo (a favorite place for high-society hunting).

Two hours later the presidential motorcade was heading up Leningradskaya. At Zavidovo two Defense Ministry Air Force helicopters were already waiting for the hunters, ready for the off.

Having selected a rifle with a telescopic sight from his personal arsenal, Yeltsin and Korzhakov took off in the company of the chief of the restricted-access hunting ground.

Flying over the forest, the hunters fired their guns but failed to hit any small animals. They were obviously unlucky.

Yeltsin May Study Strategic Issues While on Vacation

LD0603202695 Moscow INTERFAX in English 1926 GMT 6 Mar 95

[FBIS Transcribed Text] MOSCOW, Mar 6 (Interfax)—Russian President Boris Yeltsin may leave on a two-week vacation in late March, a well-informed source in the Kremlin told Interfax today.

According to the same source, Yeltsin would thus continue the tradition of 1993 and 1994 of breaking his annual vacation into two parts. As a rule, Yeltsin spends the spring part of his vacation on the Black Sea coast.

The same source said Yeltsin is thinking of this move so as to give himself an opportunity to focus on important strategic issues far away from Moscow.

Well-informed sources said the president was likely to work on packages of documents and draft laws in the spheres of the economy, formation of power structures and local administrations.

The same sources said that the president is likely to pay special attention to military reform, over which he has taken personal control as head of state.

New Coalition Distances Itself From Yeltsin's Policy

LD0603211495 Moscow ITAR-TASS World Service in Russian 1304 GMT 6 Mar 95

[By ITAR-TASS correspondent Natalia Cherepanova]

[FBIS Translated Text] St. Petersburg, 6 Mar—A democratic coalition has been set up in St. Petersburg. It comprises nine parties orientated toward democracy, including the Russia's Democratic Choice, the Party of Economic Freedom, the Green Party, the Christian Democratic Union of Russia Party. "We have been apart for a long time and could oppose neither the establishment of the pseudo-democratic policy nor the communist and nationalist-fascist organisations that were stepping up their activity," said Sergey Skornyakov, the press secretary of the Christian Democratic Union of Russia.

The signing of a joint memorandum gives hope to the new democratic coalition of consolidating its forces. The essence of the memorandum is in distancing the coalition from the policy currently pursued by President of Russia Boris Yeltsin: "We think it is necessary to distance ourselves from the pseudo-democratic policy that leads to the end of reforms in Russia, the danger of militarization of the country, the curbing of democratic transformations, and the strengthening of authoritarianism."

The coalition has not yet decided the degree of responsibility and the rights of each member party. According to Skornyakov, this will be decided by the end of March. The coalition members intend to participate in the parliamentary elections separately. However, the coalition will nominate a single candidate for the upcoming elections of the mayor, whose name is being kept secret for the time being.

Task Force Set Up To Solve Worst Crimes

LD0603203095 Moscow INTERFAX in English 1926 GMT 6 Mar 95

[FBIS Transcribed Text] MOSCOW, Mar 6 (Interfax)—The Russian Interior Ministry has set up a Task Force to help Moscow law enforcement agencies solve the gravest crimes, in particular contract killings, sources close to the ministry told Interfax.

This decision was made at a conference of top Russian Interior Ministry and Moscow Interior Office officials and heads of Moscow area interior departments. The force will be headed by Colonel General Aleksandr Kulikov, deputy interior minister in charge of the Public Law and Order Office.

The most experienced personnel will form working groups which will help interior personnel in investigating the murders of public figures, journalists, businessmen and bankers.

Special attention will be given to the performance of the operative parts of police stations, the registration of complaints and reports and responses to them. Steps were discussed to improve the operation of local inspectors and prevention of juvenile delinquency.

Security Council Focuses on Crime Problem

LD0703121595 Moscow ITAR-TASS in English 1147 GMT 7 Mar 95

[By ITAR-TASS correspondent Lyudmila Aleksandrova]

[FBIS Transcribed Text] Moscow March 7 TASS—"The March 6th meeting of the Russian Security Council had focused on measures to combat crime in the country. The discussion had lasted two hours," Secretary of the Security Council Oleg Lobov told a press conference here today.

He said that the following figures were made known to the council: As many as 2,600,000 crimes were committed in Russia last year. Those guilty of about one million crimes were never found. The number of grave crimes, including murders, is growing steadily. As many as 32,000 murders were committed in 1994. The situation is particularly difficult in Moscow, where one-third of the murderers were never arrested. This refers also to the murders that had caused particular public reaction. The president, Lobov said, has backed the need to take priority measures to combat crime in Moscow. It was recommended, among other things, to study the previous experience of security measures during the World Festival of Youth and Students and of the Moscow Olympics. In Lobov's opinion, this experience can hardly be copied in full, but many measures could be taken already now without the president's decision.

Lobov noted that although the Security Council had devoted particular attention to the situation in the capital, it was not planned to invite Moscow Mayor Yuriy Luzhkov to the Monday meeting of the Security Council, and that the situation in the capital was not discussed as a separate item on the agenda. In the opinion of the secretary of the Security Council, this would have been senseless because the Moscow personnel problems were decided before the meeting of the Security Council.

Asked about the recent emotional reaction of the Moscow mayor to the dismissal of the city procurator and head of the city militia department, Lobov said that Luzhkov did not speak about his intention to resign during that TV interview. "People like Gennadiy Ponomarev and Vladimir Pankratov should always be ready to yield their posts to others," he said. "The society would be incensed even more if nobody was dismissed after Vladislav Listyev's murder," Lobov added.

The government was seriously criticised during the meeting of the Security Council. This refers particularly to Finance Minister Vladimir Panskov who had, in fact, torpedoed the financing of the programme to combat crime, decreed by the president in the spring of 1994. "The Security Council will henceforth take care that the government should properly finance this programme in 1995," Lobov stressed.

Particular attention was devoted during the meeting to the raising of the professional skills of the law enforcement personnel and also to the need to adopt a law on the protection of judges. "If the State Duma fails to adopt such a law shortly, the president will have to issue a corresponding decree," the secretary of the Security Council noted.

Lobov said that the Security Council's agenda included an item on Russia's defence capacity in 1994 and tasks for 1995. However, it was decided to additionally study the problem of the military reform and to discuss it a few weeks later at an enlarged meeting, attended by representatives from the Russian Defence Ministry. The third item on the meeting's agenda was the problem of drawing up a treaty on an all-embracing nuclear tests ban. Lobov noted that the need for such a document was explained by the fact that the present treaty expired in 1995. Russia, he said, backs a complete ban on nuclear tests, but on condition that its security should not be jeopardised. He said that China adhered to the most irreconcilable stand, because it wanted to catch up with the major nuclear powers as regards the size of its nuclear arsenal.

Criticizes Law Enforcement Bodies

LD0603182795 Moscow INTERFAX in English 1703 GMT 6 Mar 95

[FBIS Transcribed Text] MOSCOW, Mar 6 (Interfax)—A meeting of the Russian Security Council in the Kremlin Monday [6 March] harshly criticized the performance of the law-enforcement bodies, particularly the Interior Ministry, Prosecutor's Office and counterintelligence. The meeting established that poor and unreliable financing endangered the nationwide program against crime, an Interfax correspondent learned from well-informed sources.

The meeting emphasized that "criminals' impunity and the lack of palpable results from the battle with crime discredit the state power, create skepticism in society and ultimately endanger Russia's national security."

Yeltsin Issues Tougher Measures To Combat Crime

LD0603184995 Moscow ITAR-TASS in English 1809 GMT 6 Mar 95

[FBIS Transcribed Text] Moscow March 6 TASS—Russian President Boris Yeltsin summoned his powerful Security Council on Monday [6 March] to discuss measures to fight crime in Russia and ensure the safety of its citizens.

The presidential press service said that the reports were made by Interior Minister Viktor Yerin, federal counterintelligence chief Sergey Stepashin and acting public prosecutor Aleksey Ilyushenko.

The council members pointed out that despite measures taken no tangible progress has been achieved in combating crime in the country.

Such a situation discredits state power, provokes mistrust and endangers national security, they said. The situation is the worst in Moscow. A series of recent murders has caused justified public concern. These crimes are perceived as a manifestation of the growing criminal terror, as a challenge to the policy of democratic reforms and the principles of civic society.

The all-permissiveness of criminals and the lack of considerable results of investigations testify to the serious flaws in the work of law enforcement bodies.

The lack of funding puts at risk the implementation of the federal anti-crime programme. Lawmakers have been too slow in improving the legislation, while the government has failed to adopt timely measures to reduce the social base of crime and carry out crime prevention measures.

The Security Council has suggested a number of specific measures to reverse the situation. The problem of ensuring the safety of the citizens of Russia raised by the president in his state-of-the-federation address is a top priority for all federal and municipal bodies of power, the council members said.

Its resolution requires effective and close coordination of the efforts of judicial bodies, the public prosecutor's office, the Interior Ministry, the tax police, the counterintelligence service and other state organisations.

The president issued specific instructions on the coordination and implementation of the proposed measures, strict fulfillment of orders and top-priority funding of the federal anti-crime programme.

The council also discussed the country's defence capability and military reform, as well as the preparation and implementation of the nuclear test ban treaty.

Moscow Prosecutor Terms Sacking 'Improper'

LD0603182895 Moscow INTERFAX in English 1703 GMT 6 Mar 95

[FBIS Transcribed Text] MOSCOW, Mar 5 (Interfax) - Former Moscow prosecutor Gennadiy Ponomaryov described the Prosecutor General's Office decision to fire him as "improper" and expressed regret over it in an Interfax interview Monday [6 March] following a talk with Deputy Prosecutor General Vildan Uzbekov in the office where he had been officially notified of his dismissal.

Ponomaryov emphasized that he would not stay in the prosecutor's service after what had happened. He is still on the office payroll.

Ponomaryov said that a regular check of the Moscow Prosecutor's Office had been carried out by the Prosecutor General's Office last September and he had been given a year to remedy deficiencies in his office performance.

He believes that emergency steps would be inappropriate as long as no guarantees are available to maintain constitutional law.

Ponomaryov argued that crime had to be combatted in a constitutional way using all the advantages of democracy, otherwise "the citizens of Russia will find themselves helpless between the surging crime rate and increasing police lawlessness."

Ponomaryov launched a criminal case nearly 18 months ago against Aleksey Ilyushenko, now acting Prosecutor General, whom he accused of slandering and faking a case against former vice-president Aleksandr Rutskoy.

Ponomaryov declined in 1993 an invitation by President Boris Yeltsin to become the country's Prosecutor General saying that under the Constitution this appointment had to be approved by not by the president but by the Supreme Soviet which the president intended to disband. In Ponomaryov's words, he could not demand that others abide by the law while he would have been appointed by an illegal procedure.

Prosecutor: I Will Not Stay in Office

LD0603140295 Moscow Radiostantsiya Ekho Moskvy in Russian 1300 GMT 6 Mar 95

[FBIS Translated Text] Acting Prosecutor-general Aleksey Ilyushenko today dismissed Gennadiy Ponomarev as procurator for Moscow, using the wording "for failure to organize proper work to solve serious crimes." The decision to fire Ponomarev was made at a meeting of the Collegium of the prosecutor-general's office 4 March.

In an interview with our radio station, Ponomarev said that he does not agree with the wording of the decision on his resignation. He added that this is not a resignation, but a firing:

[Begin Ponomarev recording] What forces are behind this? I think it is something to do with the state of society. I believe we will find the culprit. We will get him, and things will improve. [end recording]

Gennadiy Ponomarev also said that for the time being he does not know what he will go on to do, but: I will not be staying in the procuracy, he said.

Viktor Ilyukhin, chairman of the State Duma security committee, said that this decision comes as no surprise to him:

[Begin Ilyukhin recording] Ponomarev has not been to the liking of the top executive for a long time. He did not suit because he is, in fact, a regular honest prosecutor who will not trade in the law. I find it impossible to understand this decision, which comes at such a difficult time. I think this will be a serious blow to the prosecutor's office, primarily to the Moscow city prosecutor's office, and I think that it will affect the authority of the executive authority of the prosecutor-general, Ilyushenko's authority. He was already not enjoying any great respect, and now this new sacking looks like a reprisal. There is another aspect, too: Those who made this decision must surely understand that it is also a blow to the whole Vladislav Listyev investigation. [end recording]

Duma Official Backs Dismissal of Prosecutor, Police Chief

LD0703110295 Moscow ITAR-TASS in English 1041 GMT 7 Mar 95

[By ITAR-TASS parliamentary correspondent Ivan Novikov]

[FBIS Transcribed Text] Moscow March 7 TASS—The president was absolutely right to demand the dismissal of Moscow Prosecutor Gennadiy Ponomarev and Chief of the Moscow Police Vladimir Pankratov, Deputy Chairman of the State Duma Committee on Security Viktor Mironov told ITAR-TASS Tuesday.

Mironov noted that over the past two years criminals killed more than 2,000 citizens in Moscow—deputies, journalists, business people, policemen. The overwhelming majority of these crimes have not been exposed to this day.

"Ponomarev and Pankratov have failed to cope with the work to reveal crimes that shocked Moscow and entire Russia", Mironov said. "How long can the president put up with this", he asked.

Crime is on a rampage in Moscow, so it will be justifiable to say that law-enforcement bodies in the capital proved a complete failure, Mironov believes. He stressed that "the interests of the underworld and of irreconcilable opposition fully coincide. They aim to destabilise the situation in the country and prevent progress of reform".

In these emergency situations, it is necessary urgently to reform the system of Russian law-enforcement bodies, Mironov believes. The president should in person assume control of their work and demand a weekly account from Interior Minister Viktor Yerin, Mironov said.

Luzhkov To Resign if Yeltsin Fires Moscow Law Officials

LD0703105595 Moscow ITAR-TASS in English 1035 GMT 7 Mar 95

[By ITAR-TASS correspondent Galina Sugak]

[FBIS Transcribed Text] Moscow March 7 TASS—The mayor of Moscow Yuriy Luzhkov today warned President Boris Yeltsin, the general prosecutor's office and the Interior Ministry that he would resign if the decision to fire the Moscow city prosecutor and the chief of the city Internal Affairs Department are not repealed.

The mayor made this clear in the letters addressed to the above. He also said he would appeal to the Supreme Court of the Russian Federation or the Constitutional Court.

Luzhkov said the sacking of the two officials was a breach of law and warned that the move would result in the weakening of the capital law enforcement bodies.

Luzhkov: Dismissal of Officials Unconstitutional

LD0703172595 Moscow Ostankino Television First Channel Network in Russian 1552 GMT 7 Mar 95

[FBIS Translated Text] Today one of the leading reports in our bulletins was the statement by Yuriy Luzhkov that he would resign unless the decision to dismiss Moscow's prosecutor and the chief of the capital's interior department is reconsidered. In this connection, he intends to turn to the Supreme Court or the Constitutional Court, as he believes that the dismissal of the Moscow officials is a violation of the Russian laws. This is what Moscow's Mayor Yuriy Luzhkov told our news agency.

[Begin Luzhkov recording] Pankratov has been dismissed illegally. It is laid down in the constitution that all the issues connected with the activity of the militia must be resolved, following consultations with the local authorities. It is laid down in the militia law that all the appointments and dismissals of officials in charge of local law-enforcement bodies and the local militia must be coordinated with the local authorities. Finally, one of the president's decrees, putting the final seal on the subject, says that the head of the Moscow's state interior department is a member of the Interior Ministry collegium, and that the mayor of Moscow must be consulted on all the local personnel matters. I believe that the president's actions are part of a system aimed against the mayor of Moscow and I believe that all these decisions make me reach certain conclusions, without waiting for my own turn. I think none of this will benefit the president, first and foremost, and that he is being greatly let down by those who push him towards confrontation with Moscow. But since the situation is unlikely to change, my only option is first to turn to ministries and the courts—which is what I am going to do—and then to take the only correct decision, the decision to resign. This is natural, I think, and logical, and can be understood by all those who are following the situation in Moscow. It is a very difficult decision and I will make it, only after having consulted the city authorities. I will make it as the last resort. [end recording]

Government Rejects Luzkhov's Intention To Resign

LD0703172895 Moscow ITAR-TASS in English 1655 GMT 7 Mar 95

[FBIS Transcribed Text] Moscow March 7 TASS—The local government of the city of Moscow has qualified the decision of the federal authorities to relieve Gennadiy Ponomaryov and Vladimir Pankratov of posts of prosecutor of the Russian capital and chief of the Moscow Department of the Interior, respectively, as "wrong and unjust" on Tuesday [7 March].

According to the members of the Moscow city administration, the move will "make otherwise strained crime situation in the city even worse" rather than contribute to reinforcing law and order.

Members of the local government voiced particular protest against Mayor of Moscow Yuriy Luzhkov's intention to resign in connection with these developments.

According to the press centre of the Moscow mayor's office, the local government of Moscow "has unanimously declined to support mayor's decision".

Moreover, participants in the meeting of local government of Moscow emphasized that "Yuriy Luzhkov's resignation will result in a destabilization of political, economic and social situation in the city, because progress in the management of the city's economy came into view of late, and such results were achieved largely due to Luzhkov's energetic activities".

Yeltsin-Luzhkov 'Standoff' May Hamper Fight Against Crime

MK0703080095 Moscow KOMMERSANT-DAILY in Russian 7 Mar 95 pp 1, 3

[Report by Ilya Bulavinov and Veronika Kutsyllo: "Russian Security Council Meeting. Kremlin v. City Hall: Victory May Be Stolen by Mafia"]

[FBIS Translated Text] Yesterday's Security Council meeting was expected to give an answer to the second most important question after Vladislav Listyev's murder: What way of fighting crime will the authorities embark upon? The question of "the state of the struggle against crime and urgent measures to ensure security" was included in the agenda right after Boris Yeltsin's famous "Ostankino" address. But another question was just as important: How far will the standoff between the central and Moscow power groups go? As for such problems as 1994 defense capability and the treaty on comprehensive nuclear testing ban, they receded into the background and were mentioned only in passing in the official report on the Security Council meeting.

The presidential press service did not say anything revolutionary about the struggle against crime, but its emotional phrasings, such as "increasing criminal terror" which is "a challenge to the course of democratic reform" cannot but meet the eye. There is also a specific hint there: The program for stepping up the struggle against crime is allegedly underfunded, while the government is dragging its feet on taking measures "to narrow the social base of crime." So strong statements may equally suggest just as strong steps, including emergency measures, or a mere rending of the air. Before we believe in the latter, however, one should recall that at "Ostankino" on Thursday Yeltsin mentioned bills on the general prosecutor's office and on increasing the responsibility of officials. He remarked that he had sent them to the Duma. (As a matter of fact, it is well known that such bills cannot be drawn up overnight.) Evidently this question was discussed by the Security Council once again—in the context of harsh criticism that was hurled at the Internal Affairs Ministry and the Federal Counterintelligence Service [FCS] there. But it at least proposed measures to turn the situation around. Financing on a priority basis, for starters. The Security Council thought it necessary to coordinate actions by law-enforcement agencies.

Behind this, one can discern the outlines of a big coordinating body. A new deputy prime minister may be added to the government. According to KOMMERSANT-DAILY's information, there was no detailed discussion regarding the dismissals of the Moscow prosecutor and the Internal Affairs Main Administration [GUVD] chief, but the specter of the Moscow problem was in the air. Not all officials in the Kremlin (to say nothing of the law-enforcement agencies in general) see the dismissals of Ponomarev and Pankratov as constructive. After the Security Council meeting a source in the presidential entourage said that a standoff with Luzhkov may bring about "a full-scale political crisis." According to KOMMERSANT-DAILY's interlocutor, Luzhkov is not a person to be "treated like that." "He is quite a powerful figure," KOMMERSANT-DAILY's informant asserted, "to be made a scapegoat of. He will not simply shrug his shoulders. He still has immense connections.... But he (Luzhkov—KOMMERSANT-DAILY) may be deleted from the list of the president's friends." And in this fight no one will bother about the struggle against crime any longer.

In addition, there are many people in the Kremlin who think that the struggle against crime should start "from the top." An officer of the presidential security service, which is known for its negative attitude to the "Moscow group," said in a conversation with KOMMERSANT-DAILY that the most suitable way out of the situation would be Luzhkov's resignation: "Once he has said 'a,' he should say 'b.'" But "b" may be followed by the entire alphabet: At any rate, a grumbling is audible in both the Moscow Prosecutor's Office and the GUVD; furthermore, the criticism of Yeltsin's "unconstructive" actions on the part of his entourage may also come to the surface.

Another piece of news for reflection: Yesterday a source in the Kremlin told ITAR-TASS that Yeltsin would soon take a brief vacation. This will not be planned leave: A visit to Kiev was scheduled for this time. The last presidential vacation coincided with the beginning of the war in Chechnya. Which war this one will coincide with—time will tell.

Ouster of Ponomarev, Pankratov Viewed

MK0703104095 Moscow SEGODNYA in Russian 7 Mar 95 p 1

[Artem Vetrov report in the "Resignations" column: "The Kremlin Strikes Against the Moscow Mayor. The Chief of the Main Internal Affairs Directorate and the City's Prosecutor Have Been Dismissed"]

[FBIS Translated Text] Yesterday morning Russian General Prosecutor's Office and Internal Affairs Ministry leaders, with enviable unanimity, fired the Moscow prosecutor and the chief of city police. The president's unexpected directive issued Thursday at the Ostankino meeting devoted to the assassination of Vladislav Listyev has therefore been carried out efficiently and promptly. In spite of the rather strange logic and judgment of Yeltsin, who laid the blame for the TV journalist's death on city Prosecutor Gennadiy Ponomarev and police chief Vladimir Pankratov, the official documents on their dismissal do not say a word about Vladislav Listyev's murder.

In a conversation with SEGODNYA's correspondent Gennadiy Ponomarev said that he learned about his removal from [his] office approximately at midday from Deputy General Prosecutor Vildan Uzbekov, who gave him an order to this effect from acting General Prosecutor Aleksey Ilyushenko. The order said that Ponomarev was dismissed for "failing to ensure proper work in organizing the investigation and disclosure of serious crimes." It is not clear what the reference was to: Listyev (as of that moment the Moscow Prosecutor's Office had been investigating the case for one and a half days) or something else.

The Ministry of Internal Affairs leadership proved to be even less expeditious in this respect. In the morning a ministry spokesman confirmed that there was an order dismissing Vladimir Pankratov but no other details were reported till yesterday. Late in the evening it became known that a conference of chiefs of the Russian Federation Internal Affairs Ministry, the Moscow Main Internal Affairs Directorate, and okrug internal affairs directorates was presented with Viktor Yerin's order dismissing Pankratov and appointing Major General Nikolay Kulikov as acting chief. Furthermore, the conference decided to create within the ministry a special staff "to provide assistance to the Main Internal Affairs Directorate in solving the most serious crimes (including contract killings)." Col. Gen. Aleksandr Kulikov, deputy internal affairs minister, was appointed chief of the staff.

Observers note that only the unusual cause for dismissing Ponomarev and Pankratov, not their dismissal per se, was unexpected. Rumors about their imminent resignation have persisted for the past two years. Ponomarev said that he has had complicated relationships with all general prosecutors in the recent period: Stepankov, Ilyushenko, and partly with Kazannik. According to Ponomarev's own version, he has aroused the discontent of his bosses by his "principled observance of the letter of law regardless of the political interests of particular leaders." He believes that Listyev's assassination was an easy excuse for getting rid of a difficult prosecutor. Furthermore, Gennadiy Ponomarev thinks that his dismissal has become a means for venting some of the public indignation caused by the authorities' inability to stand up to crime, and by the murder of the well-known TV journalist. Ponomarev said that he will stay in the prosecutor's office for several days, turning things over to his former deputy Sergey Gerasimov, who has been appointed acting prosecutor. Although so far Ponomarev has only been suspended from office and not banished from the prosecution establishment, he no longer intends to work in law enforcement bodies. He said that he has plenty of job offers but that he has not as yet made up his mind which to accept.

It is too early to judge whether the president has managed to "let off some steam" after Listyev's assassination by dismissing Gennadiy Ponomarev. These measures, however, will hardly be enough to stabilize the crime situation. Rather quite the opposite is true. Ponomarev's dismissal (to be more accurate, the mere mention of it) produced a stormy reaction among Moscow Prosecutor's Office staff, where he enjoyed a reputation as an honest and highly professional worker. His removal could lead to a new exodus of cadres—the most professional ones. True, Ponomarev predicted that in the very near future Moscow law enforcement bodies will be given yet another "blood infusion" and for a while there will be a semblance of an "invigorated anti-crime effort."

Moreover, observers point out that the removal of the chiefs of the capital's law enforcement bodies will bring about basic changes also in the relations between their central and city structures. As is known, the Main Internal Affairs Directorate has been having rather a complicated relationship with the Ministry of Internal Affairs, orienting its policy toward the Moscow city authorities. Along with reports about Pankratov's dismissal, rumors, although unconfirmed, have emerged that other directorate officials have also been removed, including Vladimir Rushaylo, chief of the Moscow Regional Organized Crime Directorate.

Listyev's Assassin Reportedly Unaware of Victim's Identity

LD0703093295 Moscow ITAR-TASS in English 0642 GMT 7 Mar 95

[By ITAR-TASS correspondent Nelliy Grigoryan]

[FBIS Transcribed Text] Yaroslavl March 7 TASS—The contract killer of noted TV journalist Vladislav Listyev, who was murdered at the entrance to his home a week ago, reportedly knew nothing of who he was paid to assassinate, a local Russian daily reported Tuesday.

According to the "ZOLOTOE KOLTSO" (GOLDEN RING) newspaper published in the city of Yaroslavl 160 miles north-east of Moscow, the assassin was indeed taken to the place of the assassination in Moscow in a dark BMW car which is still being searched for.

The driver of the car reportedly said that the killer knew nothing about who he was to kill and looked shocked when he rushed out of the entrance to the house after he had done his job and recognised the victim as the popular TV man.

According to the driver, when he took the killer to his accomplices, the latter opened fire on the man. The driver immediately rushed away in his powerful car, but fire was opened also on him and he got wounded. He knows nothing about the fate of the killer.

The driver turned for medical help to his friend who served as a doctor during the Soviet war in Afghanstan.

It was actually the doctor who told the whole story to a reporter of the "ZOLOTOE KOLTSO" at a meeting in a cafe in Yaroslavl.

However, the story says nothing about a suspected second assassin. Russian authorities have published identikits of two suspected killers.

The newspaper adds that the Russian Counterintelligence Service was informed about the assassination version.

Lobov Says Yerin Issue 'Still Open'

LD0703130895 Moscow INTERFAX in English 1230 GMT 7 Mar 95

[FBIS Transcribed Text] Moscow, Mar 7 (INTERFAX)—The dismissal of Moscow prosecutor Gennadiy Ponomarev and head of the Moscow Main Interior Department Vladimir Pankratov should not lead "to any confrontation on their part or from the Moscow authorities," Secretary of Russia's Security Council Oleg Lobov told journalists on Tuesday while informing about the sitting of the Security Council held Monday [6 March].

"Society would not understand if Ponomaryov and Pankratov remained at their posts in the wake of a series of serious crimes in the capital," Lobov said.

"The issue concerning Yerin is still open," he continued. The State Duma plans to discuss it on March 10. However, as Lobov said, this discussion does not mean that the president will necessarily agree with the conclusions of the chamber.

Responding to Interfax, Lobov reported that Moscow Mayor Yury Luzhkov was not invited to the sitting of the Security council Monday.

The sitting acknowledged that the crime-related situation the capital is "difficult." Speaking about Luzhkov's possible reaction to Ponomaryov's and Pankratov's dismissal, Lobov said that some people are too free to comment on Luzhkov's well-known tele-interview: "He has not declared about his resignation," Lobov underlined.

Military & Space Issues

Soskovets: Special Group To Forecast Chechen Situation

LD0703173295 Moscow INTERFAX in English 1622 GMT 7 Mar 95

[FBIS Transcribed Text] MOSCOW, Mar 7 (Interfax)—The federal authorities cannot carry out work for restoring the Chechen economy without settling the political situation in Chechnya, Russian First Deputy Prime Minister Oleg Soskovets told the state commission on restoring the Chechen economy today.

He said he was in favor of creating a special government group of analysts who would forecast developments in Chechnya and in the entire North Caucasus.

Soskovets said that the Russian Ministry for Nationalities and Regional Policy should be "the engine of the analytical group." He said experts of the Federal Counterintelligence Service and Interior Ministry must take part in the group.

Soskovets said he believed that the analytical group must determine the main directions for federal policy towards Dagestan and Ingushetia, the republics close to Chechnya. He said it was necessary to create a model for settlement of problems similar to those which the federal authorities had to face during the Chechen operation.

Soskovets said the government group must also be responsible for coordinating interaction between the Chechen local administrations, the Territorial Department of Federal Executive Power in Chechnya and the Russian Interior and Defense ministries.

Kvashin Describes Chechnya Operation

MM0703100895 Moscow KRASNAYA ZVEZDA in Russian 2 Mar 95 p 3

['Extract' from speech delivered by Colonel General A. Kvashin at assembly of armed forces: "Troops Acquired Combat Maturity in Grave Ordeals; from Speech Delivered by Colonel General A. Kvashin at 28 February Assembly of Armed Forces Leading Personnel"]

[FBIS Translated Text] The troop operation on the territory of the Chechen Republic to disarm the illegal armed formations goes beyond ordinary armed conflicts. Its features were predetermined by the very large changes in the military-political situation and the consequences of the collapse of the Union and also by the special state of the Russian Federation and the economic, political, and ideological situation in the country.

Dudayev's accession to power was an explosive moment for the Chechen people. He led the republic to a tragic political impasse. Having been able, on the crest of the democratic wave, to concentrate in his hands virtually all power in the republic, his regime began consistently to implement the idea of separatism, of secession from Russia. Making diversionary maneuvers, speculating on Moscow's contradictions, he was able to mislead many of our politicians and compatriots. Having created a certain base, including a military and financial one, he openly opposed the federal power.

The chain of events in late 1994 shows that Dudayev created his own armed formations by no means to resolve the fate of the Chechen Republic by peaceful means. His own powerful army was created to offer armed resistance.... Unfortunately, to this day some politicians have failed to understand that fact.

Dudayev's long-reaching plans are borne out by his book "Thorny Path to Freedom" ["Ternistyy put k svobode"] published in Vilnius 18 months ago. I want to draw attention to some of Dudayev's revelations. I quote: "We can see how the Soviet empire is collapsing, the Russian empire is next...." Then: "...All Chechen tribes will unite under the name of Vaynakh... and we Chechens and the Ingush (in Checheno-Ingushetia) have never divided ourselves." Then the text adds: "We will unite without fail and together seek the territories seized from the Vaynakh by the Stalin-Beria clique and added on to Ossetia."

To implement these far-reaching designs which include claims to part of Stavropol and a number of other regions, Dudayev creates his own armed forces. A military college opens in the republic. The gunmen are "rehearsed" in various forms of armed conflict. Under Dudayev's personal leadership the "lasso"" operation is elaborated. Its main aims consist in acts of subversion deep inside Russian territory. The extensive training of military specialists and the recruitment of mercenaries begin.

Thus the use of the armed forces in December 1994 was justified and necessary. There was no other way out. Subsequent events and the very nature of the fighting confirm that conclusion.

By 21 December 1994 a grouping of Dudayev's armed formations was concentrated in 40-45 strongholds with engineering equipment including roadblocks, minefields, positions for firing from tanks, infantry combat vehicles, and artillery. As the Russian troops' convoys advanced on Groznyy Dudayev's armed formations and numerous groups of Afghan mojahedin, Abkhazian gunmen, and Ukrainian nationalists offered fierce resistance.

We realized that the enemy had a ramified network of agents and was reacting to our troops' slightest action.

He had to be misled and confused as much as possible. The situation demanded the use of military guile.

So on 22 December, to mislead the enemy as to their plans, the troops received instructions to switch to maneuver operations.

An example is the actions by the composite regiment of the 104th airborne division which, having accomplished a resolute maneuver to a depth of 160 km to bypass Groznyy from the East, advanced into the region West of Argun where at night it engaged the forces of Dudayev's illegal formations which were entrenched in a well prepared stronghold. The skilled and resolute actions displayed by Senior Lieutenant V. Khokhalev, commander of the head paratroop regiment, to hold the enemy stronghold with fire backed up the maneuver and the entry of the regiment's main forces into the battle. By the end of the day under heavy fire from the enemy the regiment had seized an important position.

These actions were a complete surprise to the enemy. He belatedly realized the importance of the region's loss. Dudayev sent in against the airborne subunits large reserves from Groznyy and Argun including groups of gunmen backed up by tanks, armored personnel carriers, rifles, and artillery. But by that time the regiment was already prepared to repel attacks. The fire system which had been prepared, the mining of sectors of terrain accessible to attack, and also air and artillery strikes against the guerrillas' convoys and combat formations obliged them to retreat.

The regiment occupied a defense sector important for subsequent operations, carrying out active reconnaissance, and continued to make engineering improvements to the region. The Argun-Groznyy, Petropavlovskaya-Groznyy, and Tolstoy Yurt-Groznyy salients were firmly blocked by the airborne troops. A considerable part during this period was played by the actions of the long-range and frontal aviation which in fact did not give Dudayev's men the opportunity to delivery strikes from Groznyy against the rear of the "Vostok" troops grouping.

Over the course of four days through 27 December a composite detachment of the 131st separate motorized infantry brigade on the northern salient carried out diversionary maneuvers in the region of the Terskiy Khrebet as a result of which the enemy was misled and his weapons were discovered and destroyed by artillery fire.

As a result of such operations the initiative passed into the hands of the command of the combined troops grouping. The situation changed drastically in our favor. With the fighting the high ground was occupied and communications from the north, west, and east were reliably covered. The troops, without waiting for the aviation, which could not operate because of difficult meteorological conditions, using maneuvering and artillery fire, occupied these regions and continued to blockade Groznyy, at the same time preparing for further actions.

To reinforce the troops grouping as of 21 December a number of units came in from the Leningrad Military District, the Volga Military District, the Urals Military District, and the Siberian Military District, the 503d motorized infantry regiment was brought up to fighting strength, and a composite battalion was formed from one of the North Caucasus Military District's motorized infantry brigades.

As a result of the reinforcement and regrouping of the troops and their implementation of diversionary maneuvers and taking of the high ground and most important positions cutting off approaches to the enemy's reserves from the northern, western, and eastern salients, the city was blockaded on all sides except the south.

The Chechen command created three defense lines to defend Groznyy:

the inner one with a radius of 1-1.5 km around the "presidential palace";

the middle one to a distance of up to 1km from the inner borderline in the northwestern part of the city and up to 5 km in its southwestern and southeastern parts;

the outer border passed mainly through the city outskirts and extended toward Dolinskiy.

On the inner line the Chechen formations' defense was based on the solid resistance center created around the "presidential palace" using major stone structures. The lower and upper floors of buildings were adapted for fire from firearms and antitank weapons. Along Ordzhonikidze and Victory Avenues and Pervomayskaya Street prepared positions were created for direct artillery and tank fire.

The middle defense line was based on strongholds at the start of the Staropromyslovskoye highway and centers of resistance at the bridges across the river Sunzha and in the residential region of Minutka, on Saykhanov Street, and the oilfields, Lenin and Sheripov oil refineries, and the chemical plant which they had prepared to blow up or set on fire.

The outer defense line consisted of strongholds on the Groznyy- Mozdok and Dolinskiy-Katayama-Tashkala freeways, the strongholds of Neftyanka, Khankala, and Staraya Sunzha in the east and Chernorechye in the south of the city.

To operate in Groznyy we created a combined grouping of troops consisting of the following salients: the "North" (under the command of Major General K. Pulikovskiy), the "Northeast" (under the command of Lieutenant General L. Rokhlin), "West" (under the command of Major General V. Petruk), and "East" (under the command of Major General N. Staskov). In the event of active resistance from the illegal armed formations when troops were brought into the city, the command of the combined grouping decided to create assault detachments within the shock groupings of troops.

The commanders of the groupings were set the task of actions in the city and the preparation of assault detachments 25 December. I personally together with the commander, chief of staff, and battalion commanders of the 81st motorized infantry regiment operating on the main salient held exercises to organize collaboration with the grouping and unit and formation commanders brought in to take part in the operation. Large-scale maps, plans of the city, and photographs of the regions of the forthcoming fighting were prepared and provided for every assault detachment and assault group commander. Special attention during the exercise was paid to the organization of collaboration and to methods of mutual recognition for the units and subunits of the armed forces and MVD [Internal Affairs Ministry] internal troops.

The operation concept at this stage provided for the assault detachments attacking from the northern, western, and eastern salients, entering the city and in collaboration with the MVD and FCS [Federal Counterintelligence Service] special subunits, seizing the "presidential palace," the government, television, and radio buildings, the railroad station, and other important establishments in the city center, and blocking the northern part of the city center and the "presidential palace" from the north.

From the western salient two assault detachments from the "West" grouping of troops, advancing from the right along the railroad and from the left along Popovich Street, were to seize the railroad station and then, advancing on the northern salient, to block the "presidential palace" from the south.

As a result of these groupings' operations and the blocking of the main streets, a through corridor was to be formed.

With a view to ruling out fighting in the western part of the city, preventing an ecological disaster in the regions of the petrochemical and refining complexes, and preventing the enemy regrouping behind our troops, the airborne troops were to block Zavodskiy Rayon and the Katayama region.

On the eastern salient two assault detachments of the "East" grouping of troops, advancing along the Gudermes-Groznyy railroad and then along Lenin Avenue, had the task, without setting up blockade posts, of reaching the river Sunzha, taking the bridges across it, and, joining with the troops of the "north" and "west" groupings, blocking the city's central rayon at the mouth of the river from the east.

Thus, as a result of our troops' actions on the three converging salients Dudayev's main grouping in the city center was completely surrounded. That was the main idea of the operation concept geared to minimal losses of our troops and ruling out any gunfire impact on the residential and administrative buildings of Groznyy. The combined grouping command in developing the concept was counting on the unexpected nature of our troops' operations.

How did events actually develop?

I shall dwell on the main elements of this stage of the operation. First of all, about the criticism which is being leveled at the grouping command in connection with the fact that we began combat operations 31 December. I want to stress that it was precisely that fact that ensured the opportunity on the northern salient for the first battalion of the 81st motorized infantry regiment to reach the railroad station virtually without gunfire from Dudayev's gunmen. By 1300 hours the station was already occupied and at 1500 hours the second battalion of that regiment and a composite detachment of the 20th motorized infantry had blockaded the "presidential palace." The 131st brigade, advancing along Mayakovskiy Street without encountering organized resistance, was also able to reach the region of the railroad station.

That our troops' 31 December actions in Groznyy came as a surprise to Dudayev was borne out later even by the field commanders of Dudayev's armed formations when we met with them for talks. As they themselves admitted, at the time our troops were brought into the city the intermediate defense lines were not occupied. Only by the end of the day were the guerrillas able to organize resistance in central Groznyy.

Unfortunately, considerable influence was exerted on the course of events by the fact that the eastern group of troops headed by Major General N. Staskov, deputy commander of the airborne troops, did not fulfill its task. One of its regiments advanced along the railroad and entered the city but then, having advanced three or four blocks, was stopped by salvos and fire from firearms and grenade throwers.

Major General N. Staskov decided to alter the salient of the regiment's further advance. In the area of the second residential region he reached the prepared stronghold where he was then blocked by the enemy. During the night of 31 December-1 January the regiment repelled the guerrillas' attack and suffered losses and then at my order retreated to the previously occupied region.

On the western salient Major General V. Petruk's grouping of troops was also unable to perform its mission. Particularly serious mistakes were made by Colonel G. Kandalin, then commander of the 19th motorized infantry division.

One of that division's regiments moved in to reinforce the western grouping considerably more slowly than the situation demanded although this advance was under the leadership of Lieutenant General S. Todorov, deputy commander of the North Caucasus Military District for combat training.

Because of the lack of close collaboration with the motorized infantry and blunders by the command of the western grouping, the airborne troops were at that time remaining where they were.

The main reasons for the initial failure to fulfill tasks in the fighting for the city were the lack of resolve of some commanders and the inadequate moral and psychological preparation of the personnel. Not everyone was able rapidly to master himself and have faith in his strength.

It is also essential, of course, to consider that, understanding the importance of the loss of key positions in the city (the station, the palace, and so forth), Dudayev sent in his best troops—the Abkhazian and Muslim battalions and a special brigade—to restore the situation. These guerrillas, fanatical and stultified by drugs and alcohol, attacked the 131st brigade and 81st regiment continuously with a barrage of artillery, mortar, and antitank weapons and tried to destroy our troops' subunits. The Russian soldiers and officers withstood this barrage of fire and attacks and caused substantial damage to the guerrillas. Only by 1500 hours on 1 January were they nonetheless obliged to start to retreat to the West from the station region.

Nor should we forget the "psychological pressure" which the resisting side actively exerted on our servicemen. Invading the radio network of the troops' units and subunits, Dudayev's men offered our soldiers large sums of money to desert, to open fire on their own troops, and even to physically annihilate their commanders. To our soldiers' credit it should be noted that not one of them did a deal with his conscience.

The troops began to learn to fight literally in the first days of the fighting. An important part here was played primarily by prompt cadres reshuffles in the leading personnel.

Commander Major General I. Babichev was appointed commander of the "West" grouping of troops to replace the dismissed Major General V. Petruk and Lieutenant S. Todorov and Colonel V. Prizemlin was appointed commander of the 19th motorized infantry division. On the northern salient with a view to creating a single leadership of the troops, the two troops groupings were united into one—the "North" grouping under the overall command of Lieutenant General L. Rokhlin. Within just days the results of these measures were noticeable.

On 1 January two airborne troops battalions from the 106th and 76th airborne divisions were set the task of breaking through into the region of the railroad station and lifting the blockade on the subunits of the 131st brigade and 81st regiment.

Advancing along the railroad, by 1740 the airborne troops had reached Groznyy-Tovarnaya station and engaged battle with the guerrillas 1 km from the station. But it soon became known that the units which the airborne troops were coming to assist had already left the region of the railroad station.

The airborne subunits returned to their assembly areas. But at 2230 hours two groups of 30 men each from these subunits secretly reached the station without vehicles and took it and organized its defense. Since then the station has been permanently under our troops' control.

Mention must also be made of the military stratagem carried out at the time by General I. Babichev. Realizing that the guerrillas had adapted to respond to the sound of motors and the clank of caterpillar tracks when combat vehicles convoys were in motion, during the night the general organized ambushes at the points where their grenade throwers were likely to be advancing and on the morning of 2 January gave the order for the convoy of vehicles to advance toward the station. As expected, the guerrillas responded, rushed toward the noise of the caterpillar vehicles, and ran up against surprise close-range fire from the ambushes.

But not everyone fought that way in those difficult days. The internal troops did not manage to fulfill their mission 31 December. So the subunits which according to the concept of operations were intended to build up their combat efforts had for a while to engage in setting up blockade posts and holding corridors from the forward edge to the way out of Groznyy and so forth. That is one reason why additional forces and facilities were needed to complete the operation in Groznyy.

In general, proceeding from the composition of the enemy grouping in the city and his operational capacity it was essential to have a minimum of 50,000-60,000 men in the troops grouping to storm Groznyy.

Just one example from the experience of the Great Patriotic War. In the period 17 November through 16 December 1941 our troops liberated the city of Kalinin from the German fascist invaders with a personnel ratio of 4:1. As of 3 January in Groznyy itself we had no more than 5,000 men.

By that time we had lost the element of surprise. In connection with the fact that the city center was not blockaded from the East Dudayev's men constantly received reinforcements from that direction.

With the arrival of fresh forces in the grouping and as a result of the regrouping of some of the troops from other salients, the Russian troops subsequently continued fighting to take the buildings of the republican organs of power and to expand the zone of their control both in Groznyy and in other regions of the Chechen Republic.

With a view to building up the efforts of the "north" grouping of troops on 5 January the 129th motorized infantry regiment, carrying out a flanking maneuver, reached the northern edge of Groznyy and by 1700 hours had fought back guerrilla detachments from the military post on the eastern bank of the Sunzha river. The next day the regiment used a single battalion to break the guerrillas' fierce resistance and occupy military post no. 86 in central Groznyy.

As a result three bridges across the Sunzha river were placed under our troops' control. That ensured conditions for the troops' more vigorous operations in the eastern part of the city. Later the situation took shape in such a way that even the newly arrived reinforcement was several days later conducting combat operations to liberate the central part of Groznyy. Here the naval infantry, the airborne troops, the regiment which came from the Urals military district, and the Siberian brigade took the most active part including in the resolute storming of the Council of Ministers building and of the blocks immediately adjacent to the "presidential palace."

During this period substantial changes took place in many units and subunits. Acquiring certain experience, the commanders began to pay more attention to preparing their subordinates for fighting in the city. The officers' actions began to show more thought and initiative. There was a considerable improvement in the controllability of subunits and units. At this stage of the fighting in Groznyy we deliberately avoided forcing events in order to rule out heavy losses and to protect people.

In mid-January the command of the combined grouping, enlisting the minimum number of generals and officers, performed work to plan the combat operations of the troops at the concluding stage of the operation. Building up the efforts of the "East" grouping of troops, we created conditions for blocking the city from the southern and southeastern salients, from which the illegal formations continued to be "fed" with guerrillas, weapons, and ammunition.

Proceeding from the nature of the forthcoming combat operations, the Eastern group was renamed the "Southeast" group of troops and was headed by Lieutenant General V. Popov, deputy commander of the Volga Military District.

The concept of the operation at the concluding stage provided for some of the forces of the "Southeast" grouping, after a maneuver from the Northern salient, blocking the most important transport communications, seizing the high ground, and completing the total blockade of Groznyy from the south.

Subsequently, using the success of the units on the East Bank of the river Sunzha, actions at different times by assault detachments of the "North," "South," and "Southeast" groupings of troops along converging salients the surrounding and destruction of the guerrilla detachments in Groznyy was to be completed.

The practical fulfillment of this concept was promoted by the troops' vigorous actions during the period of preparation for the concluding stage of the operation: There was constant reconnaissance and the places where the guerrillas were concentrated and their main strongholds and centers of resistance were identified. In a month of fighting the grouping's troops managed to stabilize and consolidate the situation in all regions of the city.

Overcoming the enemy's resistance in a plan-governed manner, our troops seized bridgeheads on the eastern bank of the Sunzha river, considerably expanded them, set up blockade posts on the main street corners, and thus ensured success for the operations by the assault detachments later.

The concluding stage of the operation to defeat the illegal armed formations in Groznyy began on the morning of 3 February. Two regiments of the "Southeast" grouping of troops carried out a maneuver from the Khankala region to the south and southeast of Groznyy.

The 324th motorized infantry regiment, having completed a movement under constant enemy artillery and mortar fire, established a grip on the Prigorodnoye-Gikalovskiy road and ensured the advance of the 245th motorized infantry regiment and a rear services unit with ammunition. Later the 245th unit blocked the road south of Gikalovskiy and covered the Shali-Groznyy and Khasavyurt-Groznyy salient.

At the same time troops from the "North" and "West" groupings, taking advantage of the success on the southeastern salient used attacks at different times by assault detachments on converging salients to embark on the elimination of the guerrilla detachments in the buildings adjacent to Minutka Square.

The units of Major General I. Babichev captured the bridgeheads on the eastern bank of the Sunzha river and fought their way through to Saykhanov Street.

To develop the success on the eastern bank of the river heavy equipment and weapons were required. The bridge across the Sunzha river in this region was destroyed. Attempts made on our side to restore it attracted considerable guerrilla forces from other salients. It was decided to organize a crossing somewhat lower down. Two fording sites and one assault crossing were used. It was all done unexpectedly for the guerrillas. The mission was accomplished without losses.

Over the course of 5-7 February the actions of the assault detachments of the 106th airborne division from the region of Pavel Musrovo Square seized the hospital and a number of tall buildings and blocked the Minutka region from the west.

The "north" grouping of troops, using assault detachments to advance in the direction of Lenin Avenue, seized a complex of buildings on Ploshchad Borby. Then from the tram park region subunits of the grouping carried out a flanking maneuver, seized tall buildings on Gudermesskaya Street, and completed the blocking of the Minutka region from the Northeast and East salients.

Thus by 6 February the organized resistance of Dudayev's guerrillas had been broken in the central regions of Groznyy.

Over the course of 9-12 February the "Southeast" grouping of troops was reinforced by the 166th motorized infantry brigade transferred from Lieutenant General L. Rokhlin's grouping. It carried out the maneuver without losses and took control of the Alkhan-Yurt-Chechen-Aul road and thus prevented the retreat of guerrilla detachments from the regions of Aldy and Novyye Promysla. During the night of 20-21 February the 166th brigade and the 506th motorized infantry regiment seized the high ground in the region of Novyye Promysla.

As a result of these operations Groznyy was finally blocked from all salients and the remnants of Dudayev's detachments were completely surrounded in the regions of Novyye Promysla, Aldy, and Chernorechye. This operation was also carried out by surprise and virtually without losses.

In conclusion I consider it necessary to draw the following conclusions.

Everything which is taking place in the Chechen Republic can be called a real war. But it was not the army which began it. Not a single army of the world begins a war on its own. Wars are begun and ended by politicians. The army is merely the means of waging a large or small war. This war is no exception.

It is unlike all preceding wars, including the "Afghan" war. It is unlike them because it is being waged on Russian territory. It is unlike them in terms of its ferocity, the use of the most modern weapons and military equipment on both sides, the way it was seen in society, and many other factors. It is similar to all preceding wars over the centuries merely in that without any doubt they have all ended in a victory for the Russian army.

It seems to me that the lessons of the actions by the Russian Federation Armed Forces formations and units on the territory of the Chechen Republic require that we implement radical changes in the structure of the Armed Forces and the content of the training both of the organs of management and of the troops and forces of all Russian Federation ministries and departments.

Many shortcomings and omissions in our army's previous organizational development were halted during the war in Chechnya thanks to the courage and heroism of the soldiers and officers. The overwhelming majority resolved their tasks skillfully and responsibly. Hard martial labor lies behind each award. As of 28 February 3,956 servicemen had been decorated with state awards, 14,349 officers and soldiers had been nominated for awards, 1,444 officers were assigned military ranks ahead of schedule and 677 were assigned military ranks one degree higher than the posts they held for their loyalty to their oath and their military duty during combat operations to restore constitutional order on the territory of the Chechen Republic. The use of troops in Chechnya stressed the acute need for overall coordination and comprehensive, painstaking preparation for the armed conflict by all federal structures, not only the power ministries. The executive branch, the Federal Assembly deputies, and the mass media were not prepared for fighting on their own territory. In practice the country's the country's public opinion proved to be unprepared. All this had an adverse effect on the moral and psychological state of the soldiers and officers. They were shedding their blood and at the same time they did not know what assessment would be given of them in the future.

Experience prompts the conclusion that serious attention must be paid to questions of information and psychological impact on the opposing side. The population of the region, the fighting Chechens did not know what our missions were when we came or what we were seeking. They were disoriented by Dudayev's regime and so until the very last moment he had a broad social base for reinforcing the illegal armed formations.

The events in Chechnya shed particularly strong light on all our shortcomings. But at the same time they showed that in every soldier and officer taking part in the fighting there were features and elements which attest to our people's greatness. The duty of each person here is to support the army and its soldiers who despite everything are nonetheless resolving their tasks and thinking of the great and indivisible Russia.

Riga OMON Troops Redeployed From Dniester To Moscow

LD0703175795 Moscow Radiostantsiya Ekho Moskvy in Russian 1600 GMT 7 Mar 95

[FBIS Translated Text] The former Riga OMON [Special Purpose Militia Detachment] that took part in combat actions on the Dniester region side were redeployed on 3 March from Tiraspol to Moscow. (Mikhail Bergman), military commandant of the Dniester Republic, said this in an interview with our correspondent.

According to Bergman, who talked with the men that were leaving, the former OMON men are being redeployed to Moscow from 18-20 March. According to Bergman's information, the redeployment of the men is being managed by Russian Generals (Matveyev) and (Shevtsov), who are in Tiraspol.

The question arises—what are the Riga OMON going to do in Moscow? And they say openly that they will be paid $400 and fed, and after they have completed their task they will be rewarded and will leave.

Mikhail Bergman does not know what kind of an operation this is. According to him, he has relayed the information on the movements of the former Riga OMON through his own channels to officials of the Main Directorate of the intelligence service. However, there has been no reaction to his information.

Fuel Disposal Problems Could Force Nuclear Plants Closer

MM0703100595 Moscow IZVESTIYA in Russian 7 Mar 95 p 1

[Report by Aleksey Tarasov: "Nuclear Power Plants Could Drown in Spent Fuel"]

[FBIS Translated Text] "Several Russian nuclear power stations could come to a halt this year," Yuriy Fedosov, deputy chief engineer at the spent nuclear fuel recycling plant (RT-2) in Zheleznogorsk (the former Krasnoyarsk-26), stated. He is referring to nuclear plants equipped with VVER [water-moderated, water-cooled] 1000 reactors: Balakovskaya (with four reactors of this type), Kalininskaya (with two), and Novovoronezhskaya (with one).

As Pavel Morozov, chief of the public information bureau at the mining and chemical combine of which RT-2 is part, explained, these nuclear plants cannot count on spent nuclear fuel being stored in Zheleznogorsk. And since the power industry did not pay for rods accepted by the storage facility back at the end of 1993 the combine decided not to send these nuclear plants the special containers required for spent fuel. The result is that for the whole of last year and the beginning of this their rod assemblies have not been accepted for storage.

So, there is no possibility of Zheleznogorsk storing spent fuel for nothing and it is demanding payment in advance. But the nuclear plants have no money. A vicious circle suggesting obvious dangers. Spent fuel used to be held in the rod assembly storage facilities attached to nuclear plants for five years; then the period was cut to three years. Furthermore, these facilities are earmarked for emergency core removal. It is not clear how long the nuclear plants will be able to manage on their own. P. Morozov thinks that if the situation becomes more complex there will be a threat to safety and the nuclear plants will find the money for paying in advance.

Let me remind you that back on 15 January 1992 the storage facilities in Zheleznogorsk stopped accepting rod assemblies from four Ukrainian nuclear power plants. For the same reason— the Ukrainians never got around to settling up. Western colleagues are now working with the Ukrainian nuclear plants, promising to resolve the problems which have arisen.

Proton-K Carrier Rocket Launched From Baykonur

LD0703102795 Moscow ITAR-TASS in English 1008 GMT 7 Mar 95

[By ITAR-TASS correspondent Viktor Gritsenko]

[FBIS Transcribed Text] Moscow March 7 TASS—The Proton-K heavy carrier rocket, the first one this year, was launched today off the Baykonur space-launch complex at 12.23, Moscow time [0923 GMT]. The launching was a success, a spokesman for the press centre of the Russian military-space force, told ITAR-TASS.

Three spacecraft of the Cosmos series are expected to separate from the DM-2 module of the carrier rocket at 16.20. In this way satellites of the global navigation satellite system (Glonass) will be put into orbit.

There are 16 satellites of the Glonass system in orbit now. The military-space force plans to bring their number to the planned figure of 24 this year.

Cosmonauts Continue Space Voyage on Mir

LD0703140395 Moscow ITAR-TASS in English 1222 GMT 7 Mar 95

[FBIS Transcribed Text] Flight Control Centre (Moscow Region) March 7 TASS—Russian cosmonauts Aleksandr Viktorenko, Yelena Kondakova and Valeriy Polyakov continue their space travel aboard the Mir space station.

The flight programme for March 4-6 included astrophysical and medical investigations as well as fitting out of the station and modules with equipment brought by the Progress M-26 ferry.

Another series of experiments was fulfilled with the use of a magnetic spectrometer. One of their aims is to define possible interrelation between currents of elementary charged particles of space origin and seismic activity on our planet.

While preparing for a meeting with the 18th main expedition, the crew were engaged this Tuesday in routine servicing the system of attitude control as well as control of the station's travel.

Space Program for 1995 Detailed

MM0703153695 Moscow KRASNAYA ZVEZDA in Russian 4 Mar 95 p 5

[Report by Mikhail Rebrov: "Russian Programs: Results of the Past Year and Expectations for This Year"]

[FBIS Translated Text] Russia's "space statistics" for last year are as follows—the Military Space Forces, which ensure the practical implementation of all programs, carried out 49 launches and placed 64 satellites of various types in orbit. These included the Gals and Ekspress communications satellites, the Elektro and Meteor-3 weather satellites, the Geo-IK geodesy satellite, the Okean-01 oceanography satellite, the Resurs-01 prospecting satellite, the Foton technology satellite, the Nadezhda rescue satellite, the Korona S-I science satellite, and others. Dual- purpose and purely military satellites have taken their place in orbit. Three manned Soyuz TM spacecraft and five Progress M freighters were launched to allow work to continue aboard the Mir station.

There were 30 launches from Baykonur and 19 from Plesetsk. These included Protons, Soyuzes, Zenits, Molniyas, Kosmos, a Tsiklon, and a Rokot.

What are the plans for 1995? On the basis of the requests from civilian and military departments, the number of launches will increase by approximately 50 percent. Intensive work will have to be done to place the unmanned Gorizont, Gonets, Ekspress, Bion, Korona S-F, Foton, Tsikada, Okean-0, and Resurs-F spacecraft in orbit. Apart from purely Russian interests, the year's program envisages contract work with foreign partners from the European Space Agency, the U.S. firm "Rimsat Ltd.," Israel's "Technikon" technological institute (Haifa), the Indian Space Center, and others.

Research and experiments will be continued on the Mir orbiter. It is planned to complete the 17th main expedition (A. Viktorenko, V. Polyakov, Ye. Kondakova), to go ahead with the 18th (V. Dezhurov, G. Strekalov, and N. Tagard [name as transliterated], United States), the 19th (A. Solovyev and N. Budarin), and the 20th (Yu. Gidzenko, S. Avdeyev, and K. Fuglessang [name as transliterated], Sweden), and to begin the 21st main expedition (Yu. Onufriyenko, A. Poleshchuk, and a NASA representative). The timetable for manned Soyuz TM flights to Mir has also been laid down—March, August, and December. In June the crew of the 19th expedition will be delivered to our station by the U.S. shuttle Atlantis. It will be the first time that it will have docked with Mir. The second docking is scheduled for October. Those who will be working on the station will have to make nine EVA's to carry out preventive repairs, installations, and other operations.

The space "home" itself will be come better equipped and roomier. Another two specialized modules—Spektr (May) and Priroda (November)—will be launched and dock with Mir.

That is the space program for the year. Will it be possible to carry it out in full? Unfortunately, nobody can as yet answer that question in the affirmative.

Federal Assembly

'Indifference' Toward Military in Budget Vote Scored

MM0603142495 Moscow KRASNAYA ZVEZDA in Russian 3 Mar 95 pp 1,3

[Report by Vladimir Yermolin: "Who Votes and How in the State Duma When the Country's Defense Capability Is at Stake"]

[FBIS Translated Text] There is surely only one occasion when you can be certain about a deputy's position and that is when a crucial vote on a particular question is being held. That is especially true when it comes to the adoption of the law on the federal budget. There is nothing coincidental about that. Thus I would venture to assert that on Friday 24 February the Duma dispelled the last illusion (which some people still harbored) that in this supreme legislative organ there is an absolute majority of deputies who have a responsible and understanding attitude to the problems of the Armed Forces. There is no such majority in the present State Duma. But the number of deputies really concerned about the state of the Army, Navy, and defense production and capable of working professionally on the "military package" of laws can unfortunately be counted on the fingers of one hand.

Now for the two votes on the same question. Before giving the draft law a third reading as a whole, parliamentarians discussed whether or not to add 1 trillion rubles [R] to research and development and the purchase of arms and hardware. Strictly speaking this figure is a drop in the ocean. Last year the Defense Ministry owed the defense industry and other "state order" martyrs R8 trillion (because this money had not been issued to the ministry itself). Such a miserly increase, I repeat, would not resolve the army's financial problems but of course would make things somewhat easier for those in production and science. And it would partly remove an injustice concerning the item of military expenditure, which has not received a kopek of the additional R12 trillion requested.

There were 207 votes in favor of the proposal to allocate an extra 1 trillion from the Central Bank's reserves. That vote was not enough for the decision to be adopted. For one reason or another 213 people did not vote at all. There were four abstentions. But 26 legislators voted against the additional funding for the defense budget.

I think that these figures require no special comment. Clearly each deputy had his own reason. They are also worthy of close examination. But for the moment let us agree on one thing: The important thing was that the trillion that the defense sector and military science urgently need should indeed be an additional sum, that is, a supplement to the military budget—but it did not happen. So what did happen? This self-same trillion, but achieved by redistributing expenditure within the long-suffering defense budget. The initiative for such an "unorthodox" solution belongs, incidentally, to the Women of Russia faction. It is noteworthy that this idea was supported by 240 deputies with only nine voting against.

But what did those 240 people's elected representatives actually vote for? Essentially to cut 1 trillion from the spending on the upkeep of the Armed Forces. In other words, 240 State Duma deputies consider it normal to cut billions of rubles from servicemen's pay and from the allowance for food and kit.

What else do the military have in abundance? I am using the word "abundance" not just for rhetorical effect. The State Duma, for example, agreed with the government's proposal to delay the soldiers' pay increase until 1 April. All budget-funded staff are receiving an extra 30 percent as of 1 March. But army soldiers and internal troops have to wait another month. It is felt that even so, the military are getting plenty. The State Duma matched the government in that belief. The method used is typical—it is to play off the impoverished budget-funded personnel against one another, saying: Dear teachers, doctors, and scientists, we would be happy to pay you a decent wage for your essential work but then we will have to give the parasitic Army more, and that is what is impeding the triumph of social justice.

Now for a few words about the breakdown of votes among the factions. First, let us consider those 200 parliamentarians who initially agreed to take the 1 trillion from the Central Bank's reserves and five minutes later decided to take the same amount "from the internal reserves" of the defense budget.

I am looking at the roll-call voting lists: They show that virtually the same deputies voted for these two mutually exclusive decisions. Do you find that strange? Not by parliamentary standards. They have their own laws here. The explanation is very simple. At one moment almost a half of the State Duma had no desire to delve into the subtleties of the defense budget: Give them the 1 trillion and have done with it, it will work out somehow. The other half were too busy to press the voting button. Some were snoozing, some were giving interviews in the corridors, while others were resolving urgent questions of personal and state importance in the offices of the executive. Out of the 30 who participated consciously in the vote, the majority consisted of those who believe that there is no point investing the people's money in such an Army, such a military reform, and ultimately in such officers and men as these.

So who did vote against the extra trillion for the defense budget? Out of the 26 deputies 22 were members of the Russia's Choice faction, one was an independent, and three were from Sergey Shakhray's party (the Party of Russian Unity and Accord). I am sure that the esteemed deputies were guided by principled motives. In any event this is a stance, it is not indifference, which is far preferable to the indifference of the majority. But military people and potential voters will have to make their choice, too.

For more detailed guidance we will publish a list of the roll-call vote when the Law on the Federal Budget is given its fourth, that is, its final reading. No matter what anyone may say, the Army must have its own people in parliament. Like the agrarians, the Gazprom workers, the bankers, and other respected voters. We shall try to do our best to give our readers a guide to the names of the contenders for deputies' seats and to the succession of parties and movements which have already begun campaigning for the votes of the people in uniform. To avoid making the same mistake twice let us judge the present parliamentarians not by their publicly expressed concern for the fate of the Army and soldiers but by the simple fact of which button an esteemed deputy pressed in the vote.

The fourth reading is due mid-March. Aleksandr Piskunov, member of the Defense Committee, hopes that the deputies will at least agree to redistribute the sought-after trillion within the framework of the whole federal budget, not from spending on national defense. But then it will be necessary to decide from whom specifically the money is to be taken. It is a painful and uncomfortable process. And parliamentarians do not like that kind of thing.

Regional Affairs

Reportage, Commentary on Conflict in Chechnya

Federal Troops in 'Full Control' of Groznyy

LD0603203495 Moscow INTERFAX in English 1926 GMT 6 Mar 95

[FBIS Transcribed Text] MOZDOK, NORTHERN OSSETIA Mar 6 (Interfax)—Federal troops are in full control of Groznyy, the Chechen capital, a senior officer in the command of the federal army group in Chechnya told Interfax Monday.

He said that federal troops had overrun the Chernorechye neighborhood, the last stronghold of Dudayev's fighters in the city, Sunday and Monday. Interior troops and OMON [Special Purpose Militia Detachment] special forces are dealing with roaming snipers, he said.

The officer said that the "squeezing out" of the enemy had not cost the federal troops any casualties. Active steps were not taken because the local population had promised to deal with the fighters on their own. According to the officer, these tactics worked.

The next step in the federal offensive will be to take Argun 20 kilometers east of Groznyy where Dudayev's men have set up a powerful stronghold. When Argun is liberated, the enemy will not be able to carry out their plans to resume fighting in the suburbs of Groznyy, the officer said.

Chechen Fighters Still Getting Into Groznyy

AU0703111595 Paris AFP in English 1044 GMT 7 Mar 95

[FBIS Transcribed Text] Shali, Russia, March 7 (AFP) - Separatists in breakaway Chechnya said Tuesday [7 March] they were "still fighting" Russian troops in a final pocket of the Chechen capital despite Moscow's claims it had wiped them out of Groznyy.

Aslan Moskhadov, the head of Chechen separatist forces, told AFP his men were continuing to fight in the Chernorechye district of the capital.

This is the southern zone where the Russian army commander said Monday it had wiped out the last bastion of Chechen resistance in the capital.

Moskhadov conceded that his troops no longer controlled the district. "They come and go, but they are still getting in right up to Chernorechye, and fighting there continues," he said.

The official Russian statement Monday had said Moscow's interior ministry troops had taken control of Chernorechye and that "the clean-up operation to rid Groznyy of illegal armed gangs has ended," using the usual Russian terminology for Chechen separatist fighters.

Chechen sources in the battle for Achkhoi-Martan to the southwest of Groznyy told AFP at the weekend that Chechen fighters were getting through to Chernorechye for nightly attacks on Russian troops, skirting Russian positions by long detours through the woods.

Russians Strengthen Southern Groznyy Positions

LD0703090895 Moscow ITAR-TASS in English 0750 GMT 7 Mar 95

[By ITAR-TASS correspondent Sergey Ostanin]

[FBIS Transcribed Text] Mozdok March 7 TASS—Russian troops worked overnight to strengthen their positions in the southern Groznyy suburb of Chernorechye and other areas which were cleared of Chechen militants on Monday [6 March], TASS learned from the press centre of the Russian troops in Chechnya on Tuesday.

However, the press centre admitted that shootings continue in the Chechen capital.

"The relative lull in the Chechen capital did not decrease the number of problems faced by Russian interior troops as shootings from small arms became a permanent characteristic of Groznyy at night", a spokesman of the centre said.

The federal troops do everything possible to keep the militants from penetrating into Groznyy, he added.

The press centre denied media reports that Russian troops were engaged in combat activities near the towns of Argun, Gudermes and Bamut. However, it confirmed that artillery strikes were delivered on positions of Chechen militants in the settlement of Ai-Bamut.

Shali Site for Chechen Opposition's Council

LD0603182695 Moscow Russian Television Network in Russian 1700 GMT 6 Mar 95

[From the "Vesti" newscast]

[FBIS Translated Excerpt] We have just received a report from the Russian Government's press office that opposition forces have set up a provisional council in the town of Shali. It has issued an ultimatum on the withdrawal of all militants. The head of the pro-Dudayev State Security Department was forced to flee the town. [passage omitted]

Khadzhiyev Government Forms Interior Ministry

LD0703110995 Moscow ITAR-TASS World Service in Russian 1007 GMT 7 Mar 95

[By ITAR-TASS special correspondent Sergey Ostanin]

[FBIS Translated Text] Mozdok (North Ossetia), 7 Mar—The National Rebirth government, headed by Salambek Khadzhiyev, has formed the ministry of internal affairs. District departments of internal affairs have been set up in almost all districts. About 800 people are working in them, ITAR-TASS learned today from the press center of the joint group of federal forces in Chechnya.

According to the press center, Salambek Khadzhiyev and Nikolay Semenov, the head of the territorial directorate of the federal bodies of executive power in Chechnya, agreed at their meeting last night that the local militia and internal troops of the Russian Interior Ministry should be controlling the situation in Groznyy. Chechen citizens are currently being trained to work as militiamen. They will be patrolling Groznyy together with servicemen of the internal troops in the transitional period, but in the future the patrolling will be carried out by the local law enforcement bodies. The press center said that, in addition to crime fighting, Chechen militiamen would also be maintaining close contacts with the public.

Ingush Village Reportedly Shelled 5 March

LD0603130795 Moscow INTERFAX in English 1208 GMT 6 Mar 95

[FBIS Transcribed Text] NAZRAN, Mar 6 (Interfax)—Russian helicopters shelled the outskirts of Pliyevo, a village in Ingushetia, on Sunday [5 March] night.

As the Ingushetian Interior Ministry's press center reported to Interfax Monday with reference to local eyewitness accounts, "submachine gunfire without target" was conducted for several minutes on the fields around the outskirts. The press center failed to explain the reason for the shelling.

Nevzorov Views 'Hell,' Plans Additional Film

954Q0144A Moscow KRASNAYA ZVEZDA in Russian 1 Mar 95 p 3

[Interview with Aleksandr Nevzorov by Petr Karapetyan; place and date not given: "The Army in Chechnya Personifies a Just Cause"]

[FBIS Translated Text] **KRASNAYA ZVEZDA continues to receive comments on Aleksandr Nevzorov's television feature "Hell," which was shown on Ostankino at the start of January. Many readers thank the well-known television reporter for being one of the first on television to tell by his film in strongly-worded, sharply-etched advocacy-journalism form the truth about our Army in the Chechen tragedy and one of the first to grant**

the floor to the officers and soldiers participating in the combat operations themselves, whose voice had prior to this not been heard, practically, on television....

Reader N. Norichev from Moscow believes that Nevzorov's short television feature has largely contributed to a psychological turning point in the coverage and the perception by the public of the Chechen events and the role of the Army in them. "One thing is unclear," he writes, "why has all this encountered such a barrage of envy and malice on the part of many of his colleagues. I have counted about a dozen publications with a simply insulting tone. And even certain television authorities are disavowing this feature with all their might...."

Reserve officers V. Kruglov and I. Nemtsov from St. Petersburg and others ask: "Why are there no new Nevzorov features? Are there once again some bans and obstacles?"

Our correspondent met with Aleksandr Nevzorov and was granted an interview.

[Karapetyan] Aleksandr Glebovich, tell us, please, how "Hell" made it from the editing stage to the television screen. Nevzorov, after all, "Hell," after all...

[Nevzorov] There was no particular route. Only in the government Press Office, perhaps, did certain difficulties arise.... I cannot even call this either censorship or an attempted ban. It was simply, well, ridiculous, let us say. Ultimately the film reached Ivan Petrovich Rybkin, and at a meeting in which Viktor Chernomyrdin and Vladimir Shumeyko were participating it was decided to show the film on Ostankino. As far as Yakovlev, leader of Ostankino, is concerned... Things here were, after all, connected, you understand, not so much with the film itself as with the name of its maker. This has to be recognized. The situation would have been difficult regardless of what I was showing—a maternity hospital or the war in Chechnya—all that was linked with the name of Nevzorov caused some people convulsions up to a certain point. All government officials who were tied to this felt a certain awkwardness.

Only a very high level, let us say, assumed this responsibility. They resolved the question, crudely put, of whether the presence of this name was possible at all on Central Television's Channel One. They were deciding, rather, not the fate of the film. The film interested them least of all. I am convinced even that they did not watch it.

[Karapetyan] Do you not intend to make one further film about Chechnya?

[Nevzorov] We have a great deal of material, but I am deliberately not releasing it anywhere at this time. Although I now have the opportunity to do so quite serenely. I would like to wait a while longer. There is now quite a lot of normal material coming out on Chechnya. Of course, we have taken heed of public opinion somewhat late in the day, but we have done so, and there are certain victories in this respect. I see no acute need now, therefore, for the hasty distribution of the material. I want to wait, in any case. I am continually tormented by the thought that our authorities could play a very dirty trick and go back on their word. This would be very tragic and frightening.

[Karapetyan] Nonetheless, about a second film, if you will. Our readers are asking whether there will be one.

[Nevzorov] There is no need to hurry with this at this time. There is not the dire situation that there was at that time. I have seen several truly splendid features on Central Television that are not a hymn to the war or the Army, and some that are the truth about both the war and the Army. The Army in Chechnya undoubtedly personifies a just cause.

[Karapetyan] Aleksandr Glebovich, KRASNAYA ZVEZDA is preparing a publication on Senior Lieutenant Igor Grigorashchenko, one of the heroes of your film. The one who so convincingly said: "I know what I am fighting for...." Shortly after the filming, he died.

[Nevzorov] Yes, two days later....

[Karapetyan] Tell us a little about him, please.

[Nevzorov] This person remained a puzzle to me. When we had only just met, he stretched out his hand, began laughing, and said: "We meet for the second time." I still do not know what this meant. Perhaps I had once seen him somewhere. Perhaps it was in Vilnius, the Dniester region, Abkhazia.... I do not know where, but I remember his face. Truly, it is possible that I did once know this person. He was an absolutely charming fellow, of course. I believe that not only should a publication be prepared here but that we should be doing everything to ensure that the Ministry of Defense insist on the Hero's Star for him. Serious thought needs to be given to his family also.

[Karapetyan] It is maintained that in Chechnya you met your long-standing acquaintance from the so-called "white tights" battalion.

[Nevzorov] There was an incident in the Dniester region when I, to put it crudely, should have shot a female sniper. I had her in my sights and could not shoot: She was extremely, diabolically attractive. And in Chechnya I stumbled onto her trail also. I will not say how this happened, this is not for the press. She is no longer with us. She died in Chechnya. It is no secret that part of the team of Latvian and Estonian women's biathlon athletes has taken part in very many conflicts. They have participated both for money and out of some pathological hatred toward all things Russian. The talk about women snipers was never an invention for me; I always knew precisely that this was the case.

[Karapetyan] Let us return to the film. Did you make it with your own money?

[Nevzorov] Yes. It did not cost the state a single kopek. I once asked Bella Kurkova to help with the editing. She refused quite rudely, and I was not about to ask any more.

Plight of Ethnic Russians in Tatarstan Evokes Concern

954F1638A Kazan IZVESTIYA TATARSTANA in Russian 3 Mar 95 p 3

[Article by Nikolay Borisov, chairman of the Russian National Assembly council: "Is Russian Culture Needed in Tatarstan?"]

[FBIS Translated Text] Preelection fever has gripped Tatarstan. Many voters do not yet suspect that this March may become in a way decisive in the republic becoming an elitist-ethnocratic state. Why? Because the election campaign will proceed under the sign of ethnic choice: Tatars elect Tatars, and Russians... whomever they like.

Thanks to the immense work of the republic government on raising the national conscience of the Tatar people, as well as the obvious advantage ensured by law to rural residents over the urban population, up to 80-90 percent of persons of Tatar origin may be elected to representative bodies of authority. From this, it follows that the republic's State Council will be ethnic. Practically a milli mejlis. The Russian-speaking layer will be so thin here that it will simply be ignored. This kind of parliament will codify in law the final outline of an ethnocratic state.

From there on the policy (already being implemented today by the Republic of Tatarstan leadership) will enter the second, final phase, beyond which one can see a glimpse of separatism. The first phase was completed by signing a treaty with Moscow and adopting the law on civil service of the Republic of Tatarstan, which is already beginning to be implemented.

The Republic of Tatarstan president's displeasure with the radical part of the Tatar ethnic movement is understandable. One wants to reorganize the state without too much commotion, so that if necessary one could say: "Such is the will of the people of Tatarstan."

It helps that there are few ethnic-thinking Russians locally: Some are scared; some have joined the communists (both the former and the latter have long forgotten their ethnic origins—party rules do not allow it). Therefore, the question comes up: Will ethnic-thinking Russians be represented in the republic representative bodies?

One has to admit that the Republic of Tatarstan Government met very responsibly the aspirations of its people. The general-education Russian-language system is undergoing all-out reorganization—a Tatar one is being built, with a clear orientation toward ethnic conscience of a pro-Turkic bent. The influence of the Tatar language is expanding; ethnic cadres for higher school are being trained. Religious problems are being solved by building new mosques, training clergy, and so on. Television is popularizing the ethnic way of life, ethnic songs and music. Thanks to television, ethnic theater has become an inalienable part of a Tatar family's leisure time.

All this is good. Except that somehow Russians have been left on the sidelines. Although they too are Tatarstan's taxpayers and also (just like any other peoples) have a right to ethnic conscience and revival.

Naturally, the Tatar elite takes care first of its people, while, unfortunately, there is no Russian ethnic elite in the republic. There is a motley Russian-speaking intelligentsia—some Tatars, some Chuvash, some Jews, and some Russians too. They are all united only by the Russian language, since they simply do not know any other. But the interests of the Russian people are strange and alien to them. That is why instead of Russian lycees, Slavic ones are organized in Kazan, including in-depth study of... the Polish language.

And when there is no ethnic elite, there is no problem with the people either! As if they do not exist...

We understand that Tatarstan is the most appropriate place for Tatars to revive their ethnic traditions and provide access to culture for their people. Nobody wants to encroach on this right. It is simply that we have to recognize the reality that in addition to Tatars and Russian-speaking people, there are Russians living in the republic—in some places in rather compact habitation.

In order to begin to correct this situation, it is necessary to set up a Russian school system, draft a program of development of a Russian ethnic system of education in Tatarstan, and ensure its separate financing.

There is already an acute need to create a Russian culture center in Kazan. An ideal place for this is the building of the former Noble Assembly. An ethnic pedagogical fund could be opened here, a video library, folklore studios, and a theater... Perhaps then Russian ethnic programs will appear on republic television, with the participation of the clergy, Russian teachers, artists, entrepreneurs, and politicians. We all need a frank conversation about the urgent problems of revival of the Russian people in the conditions of Tatarstan.

This noble undertaking will give rise to new economic and financial ties between the republic and Moscow and other Russian cities; everybody will gain from it, regardless of nationality.

Alas, what is needed for such a revival is first of all the goodwill of Tatarstan's leadership. But will it pay sufficient attention to Russian ethnic schools, culture, development of traditions, and clergy, or will it choose to concentrate on the interests of just one ethnic group?

Or perhaps there is no need here for Russian culture? Are Russians per se needed in the Republic of Tatarstan, and in what capacity?

The sooner these questions are removed, the sooner Russians will calm down, and the more stable the political situation in the polyethnic Tatarstan will become. Underhanded methods do not end well.

January Urals Economic Association Meeting Detailed

954F1498A Tyumen TYUMENSKAYA PRAVDA in Russian 28 Jan 95 p 1

[Article by Sergey Shilnikov: "There Should Be No Treaties, Otherwise This Is a Confederation; There Must Be Treaties, Otherwise You Will Not Survive...."]

[FBIS Translated Text] **There should be no treaties between the components of the Federation, otherwise it is not a Federation at all—it is a Confederation. There must be treaties, otherwise, you will not survive—such is the leitmotif of the regular meeting of the council of the Association for the Economic Coordination of the Oblasts and Republics of the Urals Region that was held on 24 January in Kurgan.**

It was conducted by Eduard Rossel, a very influential person in the region who is known for the fact that, while head of Sverdlovsk Oblast, he put into practice a thesis of the president ("Everyone can take as much independence as he can handle!") that is very attractive in form, but—putting it more mildly—was actually unsuccessful after he declared Sverdlovsk Oblast a republic.

Seven questions appeared on the agenda: "Concerning the Economic Position of the Urals Region and the Work of the Association in 1994 and the Main Directions of Its Activity in 1995"; "Concerning the Examination of Treaties and the List of Agreements on the Demarcation of Subjects of Joint Jurisdiction and Powers Between Organs of State Authority of the Russian Federation and its Components"; "Concerning an Interregional Commission on Problems of Conversion"; "Concerning the Confirmation of the Composition and Statute of an Interregional Coordination Council for the Exploitation of Minerals"; "Concerning an Interregional Coordinating Ecological Committee and the Interregional Program 'The Safety of the Population and National Economic Facilities While Considering the Risk of the Emergence of Natural and Technical Disasters for the Conditions of the Urals Region'"; "Concerning the Development of an Interregional Program for the Development of Grain Farms in the Oblasts and the Republics of the Urals Region on the Basis of Integration"; "Concerning the Development of a Kurgan Oblast Program, Taking Urals Region Interests Into Account."

Debate on the agenda. One of those present noted that the second question—"Concerning the Examination of Treaties and the List of Agreements on the Demarcation of Subjects of Joint Jurisdiction and Powers Between Organs of State Authority of the Russian Federation and Its Components"—is strictly policy and, consequently, the prerogative of the Federation. The others did not agree with him, and the item was left on the agenda—the meeting was attended by Duma chairmen, chiefs of administrations and governments, and their representatives, of 18 of the 19 oblasts and republics of the Urals region (in particular, Tyumen Oblast was represented by the chairman of the Oblast Duma, Nikolay Baryshnikov, his deputy, Fuat Sayfitdinov, the first deputy chief of the oblast administration, Sergey Martynushkin, the deputy chief, Yuriy Konev, and specialists). The justification is: It is one thing when Moscow has to talk with 88 territories. It is another thing, with eight associations. "So, this is no kind of policy, but purely economics," explained Rossel. Aleksandr Pozdnyakov, the Moscow representative and deputy minister for national affairs and regional policy, apparently agreed with this interpretation and explained, in turn, that each of the deputies in their ministry oversees one of the associations.

On the basic question "Concerning the Economic Position of the Urals Region, the Results of the Work of the Association for 1994, and the Main Directions of Its Activity," was also reported on by the chairman of the economic committee (the association's executive organ), Sergey Vozdvizhinskiy. He said that, as a rule, the ideas presented by the association are supported by V. Chernomyrdin. But even the resolutions signed by the prime minister get thoroughly lost in the vast Moscow corridors. Consequently, the mechanism for their implementation (let it be the association, or something else) is simply necessary.

What followed further were figures. The slump in industry throughout the region for 1994 was 25 percent. If its current level is compared with 1990, then it will be half of what it was then. Moreover, the drop with respect to 1990 in heavy industry in the region was 47 percent, and light industry—50 percent.

The incomes of 40 percent of the population in the region is lower than the subsistence minimum. The unemployment level is 2 percent, but taking hidden unemployment into account—13 percent. And no improvement in this respect should be expected, inasmuch as the money received from the sale of raw materials by the "new Russians" remains abroad, and there is no clear scheme on how to attract it back from there.

It is not even the unprecedented peacetime slump that is frightening. What is frightening is that instead of a promised recovery we can expect a depression of five or six years. The main reason is nonpayments. The way out of the situation is clearing and the circulation of vouchers.

Valeriy Lesunov, the Bashkortostan representative, did not agree with Vozdvizhinskiy: "The main reason for the slump lies elsewhere. Nonpayments are only a consequence. The main reason is taxes. If you take production with a cycle of even four months, then in order to "break even," a profit of 161 percent is necessary. The figure, of course, is mind-boggling. Under such conditions, there can be no question of the production, for example, of ships.

Agricultural affairs are also quite deplorable. For example, the number of cattle in Orenburg Oblast in 1994 decreased by 20 percent. More than 1,200 farmers of the Urals region relinquished allotted land. A situation has developed in Kurgan Oblast in which one might as well let seed stock used as sowing material for the whole region go for flour.

After Vozdvizhinskiy's report on the economic situation in the region, the conference once again approached that border where economics and politics become contiguous. The speech of Valeriy Lesunov, the Bashkortostan representative, is interesting in this connection:

"I do not understand the essence of the debate. If we decide that such a treaty is necessary, then the matter for each oblast—including Sverdlovsk and Chelyabinsk Oblasts—is to sign it, or not to sign it."

It turns out that Bashkortostan is for the conclusion of treaties that, in fact, are directed at equalizing the oblasts and republics, but Sverdlovsk and Chelyabinsk are opposed. Apparently, their leaders were impressed by the fact that the president "yanked" E. Rossel out of the seat of head of administration of Sverdlovsk Oblast for "excessive" aspirations for independence.

The question on treaties is being put to a vote. Fourteen territories are "for." Two (Sverdlovsk and Chelyabinsk) are "against," and two abstained. It was decided to give attention to "typification and the quality of the treaty process, and also to its passability." Nikolay Baryshnikov, the representative of the Tyumen Oblast Duma, reported that a single treaty will be signed from the territory of Tyumen Oblast. This agreement was reached with the autonomous okrugs as equal components of the Federation.

After resolving the main political question, the shift was made again to economics. The addresses of plants and firms, where there is at least some kind of positive experience, were named. A search was made for realistic schemes for supporting the rural commodity producer. And there is also something somewhat interesting here. In particular, the riddle of the spurt in prices for imported butter is that country importers subsidized their own producer. We also subsidized, but these subsidies, if looked at realistically, were not appreciable. As a result, domestic producers were squeezed out of the market and weakened substantially. And when it was decided abroad not to subsidize their own commodity producers any longer—prices rushed upward, and we were unable to counter this.

An instructive lesson that shows that the time of populism and political intrigue is passing. The time of the pragmatists who in one or another situation are attempting to find acceptable plans is coming. And it is not their fault, but the trouble is that they must do this as gently as possible, even at the price of a form of treaties between the oblasts and the Federation, steps that are not ordinary from the standpoint of the state.

Fedorov Views Chuvash Concerns, Reform Course

954F1572A Moscow LITERATURNAYA GAZETA in Russian No 8, 22 Feb 95 p 10

[LITERATURNAYA GAZETA Club 206 roundtable interview with Nikolay Fedorov, president of the Republic of Chuvashia; date not given: "I Am Afraid That Russia Is Not Getting Through to Yeltsin"]

[FBIS Translated Text] **A. Udaltsov, chief editor.** Nikolay Vasilyevich, we know you not only as a president but formerly also as a leader of the democratic movement. What has happened to this movement? Is there, do you think, any hope of the revival of the united democratic camp of the 1991 model?

N. Fedorov. You know, it is both easy and hard to answer this question. The point being that there simply was no democratic movement in the true meaning of this word. There was a sum total of people, striking personalities, nothing more. Particular institutions and various organizational structures are needed for a democratic movement. The personalities Gorbachev, Yeltsin, and many others operated here. But I constantly wonder: Has Russia advanced toward civilization and progress? I often think about the spiritual- moral and social price that Russian society has paid and continues to pay initially for perestroyka and then for economic reform. Is progress not generally devalued by so high a price for it? I personally, as a citizen and as the president of a small republic, cannot make an unequivocal evaluation as to the phase of the historical process we are in and as to the direction in which the center is attempting to lead us. We started with the idea of democracy and have essentially arrived at a fascist prospect. It is beginning to seem to me that any authorities would today be better than those that we have. A kind of fascistization of the regime is taking place. I would not want to overly dramatize the situation, but my rational analysis nonetheless shows that many fragments of federal policy of recent times point to a real threat of a variety of fascism.

Yu. Solomonov, deputy chief editor. And who is to blame for this? It is now 10 years since the start of perestroyka. Has, then, the impulse that began in 1985 gone for nothing? At what stage of this path did you spot that we were heading in the wrong direction?

N. Fedorov. Of course, both Gorbachev and then Yeltsin helped society take a step forward. But each leader exhausts himself at some time—historically and intellectually. If a leader who is past his time does not leave, a return of Byzantine traditions begins: The will of the emperor is law, and the word of the chief is tantamount to a ruling of a court of law. This kind of democracy begins. Legal nihilism comes to be implanted. When I left the office of minister of justice, I wrote the following application: I beg to be relieved of office because I cannot put up with the increasingly dispiriting instances of disregard for the law in politics. I fought to the end. My decision was not impulsive or chance, it had matured over a long period. It came after it had become clear to me that Boris Nikolayevich Yeltsin and his entourage had made up their minds to conclusively make an abrupt turnabout in policy away from legal to repressive approaches. I drew this conclusion 20-21 March 1993.

And, generally, we, those who are attempting to fight for a state based on the rule of law, are still very weak. On my way here I recalled how we had at one time raced after each issue of LITERATURNAYA GAZETA. Now? We have been driven into such a moral and political culture that no one reacts even to the most sharply worded, most scandalous, inconceivably unmasking publications and situations! A certain immunity to the press has been cultivated among both politicians and society. How many times has it been impressed upon us: If not Yeltsin, Zhirinovskiy. These extremes continue to be used to intimidate us at this time. It is thought that we are so primitive as to be unable to choose for ourselves. But I would not be involved in politics, I would hide away in a university, if I did not see opportunities for resisting this very dangerous trends. We are resisting in specific deeds: We are creating legal institutions and creating opportunities for the relatively autonomous functioning of our region. These same processes are under way in Bashkortostan, Tatarstan, Nizhniy Novgorod, Ulyanovsk Oblast, and so forth.

A. Borin, observer. Nikolay Vasilyevich, your edicts on the protection of the citizens of your republic in connection with the Chechen events evoked affection for you in Russian society. Now the edict has been canceled. How do you forecast the further development of the situation?

N. Fedorov. You know, as a lawyer, I have a weakness. When some situation, problem, or conflict arises, I do not call Moscow, like many do, but begin to rummage around in legislation and delve into the constitution. According to Article 85 of the Constitution of Russia, the president of the Russian Federation may use conciliation procedures to settle disagreements between organs of state power of the Russian Federation and a component of the Federation. And a second point. The president of the Russian Federation is entitled to suspend acts of organs of the executive of a component of the Federation prior to a ruling on this matter by the corresponding court of law. That is, the edict of President Yeltsin has no validity in constitutional law. It is an empty and incomprehensible edict. It is impossible to respond to this edict legally because it is outside of the Constitution of Russia. I have no wish to begin a political struggle by taking advantage of the legal incompetence of those who prepare such documents for Yeltsin. I will simply not execute such edicts. On account of their unconstitutionality. Let them become accustomed to legal culture—apply to the court. Someone must force them to come to terms with the constitution that they actually wrote.

Yu. Kulikov, deputy chief editor. Nikolay Vasilyevich, you are taking a risk. Will not a parachute regiment be sent?

N. Fedorov. A very influential politician of ours was talking with me on the telephone and said: Nikolay, why do you need this? Why this assertiveness? Tatarstan, well, that's understandable, Bashkortostan, that's understandable. With Chechnya it goes without saying. But you? If we commit an armored division, will Chuvashia fight for you? It was said as if in jest, it was a friendly kind of conversation. I asked involuntarily: Where would you find an armored division? Three fleets are concentrated in Groznyy, neither the ground forces nor aviation are sufficient there with such generals....

Yu. Shchekochikhin, department editor. I just came back from Chechnya a few days ago. One prominent politician of Ingushetia told me: The war was begun merely... to teach all components of the Federation a lesson. If you behave badly, the same will happen to you. What do you think about this?

And a second question, more particular. How do you, the president of Chuvashia, communicate with Yeltsin, with his staff? By telephone? Do you put your name down for a meeting with the president a month ahead of time?

N. Fedorov. As regards the desire of the Kremlin to show other components of the Federation how to behave. Yes, there are people in Moscow in whose heads this method of government is predominant. This appears to them effective. From my viewpoint, such means are utterly impractical. We spoke about this at the meeting of the presidents of several republics in Cheboksary. And concluded that such a Kremlin policy is suicidal. Much can, as we know, be done with bayonets, but you cannot sit on them. This only leads to an outburst of nationalism and to the consolidation of the citizens of the component of the Federation on which power pressure is being exerted. When Chechnya began and, particularly, when Yeltsin began to drive toward me, so to speak, our nationalists unexpectedly began to support me. I have absolutely no need of such support. Whereas at their demonstrations earlier, what is more, they could not muster 100 persons even, they can now assemble thousands and thousands. They, the nationalists, are making their allies all the mothers and the relatives of those who have died and been wounded in Chechnya. That is, there is a rising wave of nationalism. It is the follies and mistakes of the federal authorities and individual persons that are stimulating nationalism and separatism in the regions.

Now as regards my communications with the president. I called Moscow and asked to be put through to Yeltsin and Chernomyrdin. No good. What am I saying, you cannot get through to Viktor Vasilyevich Ilyushin, the president's top aide. Did you not notice how in PODROBNOSTI my friend Mikhail Krasnov was asked: Have you met with the president? He said: Not yet. ...How does Krasnov agree to be an assistant of the president if the latter has not even deigned to meet with him? To what did Misha agree?

A. Tarasov, department editor. Who, for all that, is most accessible for you in the Kremlin?

N. Fedorov. Were I to say, he could be removed.

From the floor. Then name who should be removed (laughter).

N. Fedorov. I have to observe that the federal authorities are currently engaged in the buying and selling of the behavior and speeches of the leaders of the components of the Federation. I was recently called by the same person who made the joke about the tanks, and he inquired whether I would be attending two forums that the president of Russia would be holding in February. They do not usually inquire. They were interested this time in whether I had taken offense at the edicts and whether I would be coming. I replied: If I have the time, I shall come to rub shoulders with my colleagues. I expect to get nothing out of these forums. They sit around in offices in the Kremlin and draw this picture or other, concoct phrases, and make things "look good." These two forums, where everything has been written out in advance, are of no practical significance, therefore. But, nonetheless, it was asked of me that I try not to be traveling anywhere in February.

O. Moroz, observer. A republic of the Russian Federation is currently being barbarically destroyed. Is there anything that the other components of the Federation can do or have they resolved to submissively await their turn?

N. Fedorov. At the meeting of the leaders of seven components of the Federation we discussed all the versions of possible scenarios of the development of events and for this reason adopted the decision to resume the work of the Council of Heads of Republics. And this is not because we are contemplating some separatist conspiracy. It is simply that within the framework of the Constitution of Russia both collective and individual actions are possible against mistaken decisions of the center. We discussed such actions, at least. The Congress of Peoples of Russia, incidentally, of which Shumeyko was so critical, is not an intrusion into the constitutional sphere but simply a public forum. The idea of the convening of the congress was supported by the peoples of the North and the North Caucasus, the Assembly of Peoples of the Urals and the Volga, and the Union of Turkic Peoples.

A. Udaltsov. If, nonetheless, we suppose that tomorrow or today the president decides to consult you on how to bring matters to a close in Chechnya, what will you tell Yeltsin?

N. Fedorov. Just one thing: Sit down at the negotiating table with Dudayev. No particular wisdom is needed here, what is needed is a step that is prompted by the entire world practice of such conflicts. As is an end to hostilities, of course. All these "likes-dislikes" need to be set aside. There are many people for whom one has no affection. Dudayev is a reality. But you understand full well what kind of person Boris Nikolayevich Yeltsin is today. And you can imagine how he might react to a situation. Society needs to give thought to mechanisms for neutralizing such impulsive behavior. It is caused by the fact that Yeltsin has painted himself into a corner. And this is frightening because it is hard to contemplate the next steps of authorities that have now tied themselves by great bloodshed. Of course, they are driven not only by fear but by comfort also and want to keep it at all costs. The West is constantly maintaining that Yeltsin means reforms. But reforms mean forward progress. And the first condition of this is predictable behavior. I do not know whether you will agree with me or not but I am 200 percent certain that Yeltsin and stability, Yeltsin and reforms, will henceforward be historically incompatible not because Yeltsin does not want this but because he can do no other. Boris Nikolayevich feels comfortable only in an extreme situation. Because a traditional situation requires routine work, as of a craftsman, this being when it is necessary to devise the economic system, think up multi-move combinations and stages.... I speak about this because earlier I tried on many occasions to discuss something with him. Useless! He likes only straightforward, single-move decisions. If some well-wisher of the Shakhray type says to him: Boris Nikolayevich, the problem can be resolved by a single edict, he likes such suggestions. This is easier on his mind. It is simpler. And he is today surrounded by precisely such people, of the Grachev, Yerin, Yegorov type. And the president will constantly create confrontational situations because this is for him a form of existence—both as a man and politically.

Yu. Kulikov. For how long?

N. Fedorov. For as long as we permit it.

Voice from the floor. Will there be presidential elections?

N. Fedorov. I do not know, to be honest.

Yu. Solomonov. I would like to return to Chechnya. Is there no inner logic to this campaign? The senseless carnage must be advantageous to someone. Is there a war of hidden interests here?

N. Fedorov. In my opinion, there is no deep-lying meaning there. Impulsive actions, reaction at the emotional level.

Of course, particular interests, mercenary interests, are born and are fishing in these troubled waters. But you should not look for political logic or intellectual assignments there. Simply look at the faces on television! It should not be thought that a carefully devised operation has been put into action in Chechnya. This can be ruled out completely.

Yu. Shchekochikhin. I read in IZVESTIYA that Mikhail Barsukov is planning to assign each governor and each president personal security from Moscow. Have you already been assigned Moscow security guards?

N. Fedorov. My entourage is constantly being reinforced. First it was simply a representative of the Federal Counterintelligence Service who was attached to me. In September, after we had staged the Third Commodity Producers of Russia Congress, a representative of Yerin was recommended additionally. And a subunit subordinate to Korzhakov was formed recently.

A. Tarasov. How do you view the idea of Russia's division into provinces?

N. Fedorov. Call them what you wish! I see no border. The main thing is to observe the laws that have been proclaimed by the constitution. And the powers and the rights that it enshrines. We currently observe the laws to the extent of 3 percent—the federal law on the budget for 1994 in respect to investment programs, say. How are dealings possible with such a center? If its legal obligations are fulfilled at this level?

A. Udaltsov. Tell us a little about what the current concerns of Chuvashia are....

N. Fedorov. This is a far more urgent and compelling subject for me. My presidency was a year old on 21 January. I have in front of me a report on the year's results. The Chuvash Republic began to receive mentions for the first time last year as one of the components of the Russian Federation that is developing the most dynamically. This fact was noted by Japanese analysts on the basis of the results of 1994. A special publication of the federal foreign trade information service of the FRG was published on Chuvashia for the first time in our history. It says, in part, that "the republic, which was only in the middle of the list according to the former assessments as regards investment climate and risk, is now within the framework of these assessments constantly moving up among the 89 regions."

Western assessments are of interest to us for they are sober and pragmatic, but we take a composed view of them. Our philosophy and our program proceed from the fact that Chuvashia is going its own way. Not the American, not the Turkish way. But taking account both of the experience of these countries and the experience of our neighbors. In any event, we, my people, must build Chuvashia ourselves. I adopted on 26 April the edict Supplementary Measures To Regulate Economic Relations in the Chuvash Republic. As a result more than 400 new enterprises and entrepreneurial structures, which have created thousands of jobs, have appeared in the eight months in the Chuvash Republic. A whole number of well-known Russian banks have displayed an interest in Chuvashia: The AvtoVAZbank, Transnational Bank, and Rossiya-Mals have opened their branches in Chuvashia. Cooperation has been established with such well-known banks as the Oneksimbank and the Inkombank. Decisions adopted in the sphere of tax and budget regulation have made it possible in the eight months to attract additional financial resources totaling R18.4 billion. In 1993 we covered our expenditure in the republic 11.9 percent thanks to the Federation. In 1994, 8.4 percent. But it is not the figures but the trend that is important. The trend is favorable for the future of the republic if we work in the most skilled fashion and smartly, ceasing to rely on the federal authorities (because they are not, for all that, fulfilling a single program). Concerning the federal programs, incidentally. The Cheboksary Reservoir, which was altogether harmful for the Volga, had been built here. By a decision of the center half the city, the old part, was submerged. So, realizing that nothing has been done over 15 years by the federal authorities to restore the city, we ourselves have begun to seek the resources and to build a dam. The dam will reach the place of worship, the Holy Trinity Monastery, that we are restoring. There will, truly, be a road to the temple in both the physical and spiritual senses. This will cost many billions, but everything will be done at our expense.

Voice from the floor. And political life? Do you have many parties?

N. Fedorov. As throughout Russia, we have no multiparty system. There are the communists, of course, and structures are operating. The Agrarian Party is noticeable.... Others? About 30 have been registered. But these are clubs, nothing more.

A. Gasparyan, observer. What, in your opinion, are the prospects of the Constitutional Court?

N. Fedorov. I have confidence in the Constitutional Court. This body, it seems to me, will have a presence, albeit not total, in the political life of Russia. We need to be realists and to recognize that Rome was not built in a day. I am in contact with members of the Constitutional Court and I know many justices, both old and new. I have spoken with them also about the two edicts of the president of Russia apropos my edicts. They also are astonished by the actions of the president of Russia, that is, when lawyers socialize, everything is clear to them. After all, it is not I who should appeal to the Constitutional Court, it is the president of Russia who should apply. After all, it is he who is claiming to assess my actions as illegal. He should respond as specified by Article 85 of the Constitution of Russia.

Ye. Krivitskiy, deputy chief editor. What is your view of the ratings of the leading politicians published in the press?

N. Fedorov. A very composed view. This is of very narrow significance, of interest to the politicians themselves and their relatives and friends. My people, for example, have absolutely no interest in this, and they are not excited by any movements in these ratings. There is another problem for us in the sphere of leading politicians, I believe. The circle of these people shows virtually no expansion, always the same faces. It is sad. Are there no longer any energetic and capable people in Russia or is it simply that they are not being admitted to politics? The custom in the Soviet country was to destroy any new outstanding personality. And you journalists also describe the same ones. New ones must be found, otherwise, disaster.

A. Latynina, department editor. You just said: "my people." What does this mean for you?

N. Fedorov. It means those among whom and with whom I live. They voted for me, others, against me, and they are all my people. I go, incidentally, to demonstrations that the opposition organizes. I am told that no governor, no president would do so.... But I do. Perhaps this is idealism, but this is how I understand my mission. Perhaps this is a primitive answer, and you would like something more philosophical? But I will answer this way. All inhabitants, all the people inhabiting Chuvashia, are my people. Chuvashia is the sole republic in which peasants constitute 40 percent of the population. It is protected by the land. We have low wages. But almost everyone has his own plot of land and a house in the country. Almost everyone. For this reason many people do not buy potatoes, cabbage, or tomatoes and even collect mushrooms in the woods. I cannot today imagine how we could continue to work in the federal structures had we not left in March 1993.

Perhaps I am not all that professional a politician. It is said that you need to be exceptionally tough and rational in politics. But human frailties, feelings, and emotions very often snap into action with me. My friends are continually telling me about this. I understand. I like, for example, Andrey Kozyrev. He is smart, progressive, strong, and erudite. A professional. Socializing with him is a great pleasure. I would like to hope that we were and will remain friends, the same with Boris Fedorov also. Moreover, the latter is my adviser even. But I do not understand Andrey Kozyrev today. I have not yet had an opportunity to talk with him about Chechnya, about Russia in general. Does people's philosophy change in this way? No, to be sure, I could not work in Moscow at this time....

First 'Council of Three Dumas' Session Held in Tyumen

954F1500A Tyumen TYUMENSKAYA PRAVDA in Russian 24 Jan 95 p 1

[Report by Sergey Shilnikov under the "The Council of Three Dumas" heading: "They Did Not Vote But Did Come to an Agreement"]

[FBIS Translated Text] **On 20 January, the first meeting of the Council of Three Dumas was held in Tyumen. Some predict success to this new structure, others—failure, pointing out that the Council of Three Dumas by itself does not decide anything and can only "talk through" a particular issue. But in our specific "three- component" situation, we do need a reconciliation organ. In the past, this role was played by joint sessions of three inner councils. Now this experience was remembered and a decision was made to return to it, this time in the form of a Council of Three Dumas.**

After this lengthy foreword, let us get to the actual meeting. As a privilege of the host, it was conducted by Tyumen Oblast Duma Chairman Nikolay Baryshnikov. He was assisted by Sergey Sobyanin, chairman of the Khanty-Mansi Okrug Duma, and Viktor Voronin, deputy chairman of the Yamal-Nenets Duma.

Baryshnikov opened the first meeting and explained that the three Dumas began "growing their feet" since October 1992, when a decision was made at the joint session of three inner councils "On the Agreement on Delineation of Powers Between Tyumen Oblast and Khanty-Mansi and Yamal-Nenets Okrug Organs of Representative and Executive Authority in the Sphere of Economic Relations," signed by B. Ulyanov, L. Chistova, and A. Kuzin.

Deputy head of oblast administration Yu. Konev noted: "At the aforementioned session of the three inner councils, a decision was made to create a permanent organ of executive authority of the three Federation components—the Administrative Council. Well, I do not see any of its members here!"

Yu. Konev meant first of all Administrative Council's state secretary V. Pervushin, since the heads of administration of both okrugs and the oblast were in Moscow. Confusion: Were they or were they not invited? "They were not," insisted Yu. Konev. "They were. They are on the list," said someone from the audience. "Invited," acknowledged Baryshnikov. "If there was any miscommunication, please call right now and invite them."

It is not accidental that I describe the situation in such detail, since the bulk of misunderstandings emerged along the line of "invited—not invited. Discussed—not discussed." I will refrain from comments; now on to the substance.

The key question was the question "On Reconciling the Charters of Tyumen Oblast and the Khanty-Mansi and Yamal-Nenets Okrugs, and the Agreement on Delineation of Powers Between Organs of State Authority of the Oblast and the Okrugs." The decision to reconcile the charters, and to move the articles regarding interrelations of all three Federation components into a common part, in principle did not bring objections from anybody. The proposals were, for instance, on the wording: "On the agreement or on the mechanism of agreement"?

"We have adopted the charter of our okrug; why revise it? Let us write 'On the mechanism of agreement'," said Yamal deputy Khotyzko Yezyngi.

"One can create a mechanism for agreement but never arrive at the agreement itself," replied Nikolay Baryshnikov.

"I would still recommend a more precise wording. The Russian language gives us this ability," Kh. Yezyngi did not give up.

"What is it?! One disagrees, and everyone has to try to talk him into it!" said Pavel Plavnik angrily.

"We will do just that. That is why we gathered here," pointed out Nikolay Baryshnikov.

Sergey Sobyanin countered with some humor that it would be easier to strike out this entire agenda item and rewrite it. Except what is there to write if everyone agrees with the substance of the question?!

The joke produced the proper effect, and the polemics ended. The discussion of the second question, "On Preparation for Implementation of All-Oblast Programs," also began with arguments on how to write it: "all-oblast or oblast." Some insisted on "all-oblast," since, in their opinion, "this corresponded more to the substance of relations" (hinting at equality of oblast and okrugs according to the Constitution); others—"oblast." But all of these arguments, smelling of politics, died down as soon as the matter came to the mechanism of implementing these programs.

N. Baryshnikov reminded them: "In 1991 a fund was set up for all-oblast programs, but this scheme did not work. And in 1992 we switched to agreements—this works to this day."

They finally agreed that there should be sectoral programs, all-oblast programs, and a common program that would enumerate the priorities. And most importantly, what is needed is financing and a clear mechanism for implementation. But in any case these will be only rules—and it will be the executive authority that will be playing by them. And how will it play, considering that two days earlier at the oblast Duma meeting the deputies were unable to get even a budget message. Not to mention the budget, and without working closely with it—which, by the way, is the deputies' main function—it makes little sense to speak of any joint programs.

The next question on the agenda, "On the Preparation and Conduct of Events Dedicated to the 50-Year Anniversary of Victory in the Great Patriotic War of 1944-1945," was discussed at length. The subject was the mechanism of implementation. Yuriy Konev informed the deputies that the day before, together with deputy heads of okrug administrations, they had worked on this matter and had reached complete understanding.

Another question on the agenda was on the "Agreement on Additional Delineation of Subjects of Jurisdiction and Mutual Delegation of Powers Between Organs of State Authority of the Russian Federation and Organs of State Authority of Tyumen Oblast." The substance of the question is how to interact—separately (after all, they are Federation components of equal standing) or together. They agreed to do it together.

It was decided to drop the next point on the agenda—"On Integrated Legal Space on the Territory of Tyumen Oblast"—since after the charters are reconciled, there will be an agreement that will spell it all out. The next two questions, "On Proposals on Coordinating the Plans of Law-Drafting Work of the Tyumen Oblast Duma, the Khanty-Mansi Autonomous Okrug Duma, and Yamal-Nenets Autonomous Okrug State Duma in 1995" and "On the Agreement of Organs of State Authority on Cooperation in Setting Up a Mechanism of Effective Socioeconomic Development of Tyumen Oblast, Khanty-Mansi Autonomous Okrug, and Yamal-Nenets Autonomous Okrug" were adopted without any serious arguments.

A very interesting situation arose during the discussion of the last question: "On the Agreement on Cooperation Between Administrations of the Tyumen Oblast and Its Components, Yamal-Nenets Autonomous Okrug and Khanty-Mansi Autonomous Okrug, and the Joint-Stock Oil Companies LUKoil, Sidanko, Yukos, Surgutneft, and Rosneft State Enterprise."

The name of the "On the Agreement on Cooperation..." was obviously drafted by people with very peculiar taste. Which is where the deputies began their discussion. But then... then they needed to ratify this document. And how can one ratify it, considering that none of the "oil captains" in a position to explain in lay terms the fine point of this, actually, rather important document was present at the meeting? And what would happen if the document was not ratified? There was no clear answer available to this question. We once again encountered a mechanism. This time—the mechanism of ratification. Which does not exist.

These mechanisms are a real problem when they apply to the economic sphere. Wherever one looks, they are not there. I am curious—when will they come into existence? And how else can oblast structures of authority realistically prove their leadership in relation to okrugs, if not by creating clear mechanisms, understandable to everyone, in the sphere of implementation of economic decisions and interaction between Federation components as a whole?

Tyumen Mayor Reviews 1994 Achievements

954F1498B Tyumen TYUMENSKAYA PRAVDA in Russian 2 Feb 95 p 1

[Article by Yekaterina Pletneva: "In the Tyumen Mayor's Office; In Other Respects, Beautiful Marchioness, Everything Is Fine, Everything Is Fine...."]

[FBIS Translated Text] **A conference of the directors of municipal enterprises was held in the administration of the city of Tyumen. A lot of people came. The meeting hall and the balcony of the hall were packed. Among the meeting participants were the chief doctors of hospitals, the directors of schools, stores, and consumer services enterprises, and representatives of law enforcement**

organs and community housing offices. V. Baryshnikov, chairman of the oblast Duma, and the heads of the rayon administrations of the city took part in the work.

Mayor S. Kirichuk talked about the state of affairs in our city and about the results of the year 1994 that just passed. His speech lasted more than an hour and aroused a lot of interest.

Stepan Mikhaylovich said that on the whole last year passed without social explosions and special shocks. Although there was little that is comforting. Judge for yourselves. The slump in production in all aspects was deep once again. True, the rate of the drop was cut from 11 to 6 percent, in comparison with 1993. But is this that much? Only the production of mustard, mayonnaise, and vodka was not reduced. But here also there is not that much to be happy about, because not much Tyumen vodka is consumed; the "winking brand" [morgayushchiy] is respected more.

The rates of inflation have reached 336 percent, but wages increased only by 204 percent, which in itself indicates a drop in the standard of living of city residents. This was confirmed in a sociological survey by more than 60 percent of the people of Tyumen. As for wages, according to branches of the national economy, they were distributed in the following way: Construction workers received an average of R406,900 per month, industrial workers—R335,000, retail sales workers—R343,700, and public catering workers—R238,100. On the other hand, even workers in administration were unable to ascertain the wages of managers of municipal enterprises. The curtain was lifted only on the earnings of the chief doctors of hospitals and the directors of schools. It turned out that the former received about a million rubles and the latter—up to R800,000 per month.

Indebtedness in the city, mainly at industrial enterprises, amounted to a total of R163 billion, and, in addition, credit indebtedness exceeded debit indebtedness by R16 billion. Our people owed more than was owed to them, and this is bad. On the whole, it would seem that profit increased by a factor of 2.2, but it was by no means due to increased production. This was the effect of an increase in prices and tariffs. Nonpayments were and remain the scourge of the city's economy. In this connection, the inspectors of the city's tax service conducted an audit of the activity of commercial banks. Twenty-three of them were fined after violations were disclosed. It is to be regretted that the fines established by law are so small that they will hardly put violators on the right path.

The construction workers brought a little happiness with their successes. They have increased the volume of work for the third year in a row, directing capital investments into the social sphere and production. For the first time in many years, the investment of the personal savings of citizens in construction have increased. It is possible without a problem in Tyumen today to buy an apartment with the necessary floor space and layout on any level at a price of R1 million for one square meter of floor space. However, the budgeters for some reason are making poor use of this opportunity, but they have no other, because the mayor's office on its part has not yet developed a mechanism for providing housing for pensioners, doctors, police, and teachers.

Speaking of construction, it is impossible not to note that, despite the closing of kindergartens everywhere and their conversion into commercial enterprises, such an organization as TETs-2 [heat and power plant], to the contrary, put a children's preschool institution into operation to the happiness of working mothers. Incidentally, 927 Tyumen residents became unemployed last year. An additional 401 jobs were organized for this category of citizens. Now, 205 persons are learning a second profession.

Against the background of a general decline, the overall size of the population of our city has been reduced. Tyumen now has 548,000 persons. In 1994, 227 more babies were born than in 1993, but mortality also increased, by 649 persons. In the main, men are dying, so to say, in the prime of their life. The mayor advised Tyumen residents who are entrusted to him to protect themselves.

But how does one protect oneself when the crime-conducive situation in Tyumen remains more than just difficult and the percentage of solved crimes against the background of neighboring oblasts is the lowest. Meanwhile, 3,521 persons of the certified police serve in the city. Showdowns between mafia groups and various other "illegal formations" continue, and the drug business is flourishing. While in 1992 a total of 24 kilograms of dope were confiscated, in 1994 it was already 394 kilograms. But how much was not confiscated? No one knows about this.

The number of fires and motor vehicle accidents has increased, crime is growing, and there were more murders; on the other hand, there were fewer apartment burglaries, and the hijacking of motor vehicles fell by 65 percent. Either all of the thieves were caught or they themselves have stolen enough, but, perhaps, there is nothing more to steal.

Nevertheless, the residents of Tyumen are in constant fear for their personal safety. This was also reflected by the sociological survey that was conducted in December of last year. Tyumen residents have named problem number one to be fear for their life and the lives of loved ones. The second thing that troubles them is the rundown condition of housing and public services activities. In third place is the outstanding work of public transportation. And although last year the mayor's office expended more resources on the purchase of buses, the transportation problem has not been removed from the agenda. There are many reasons for this, objective and subjective, but the main one is that there is no money.

In 1994, R1.2 billion in taxes was collected. Local taxes accounted for 10 percent of the total. In principle, S. Kirichuk agrees with the opinion that it was precisely tax policy that ruined local production; however, this is already a question for the government, but our territory interests it, because it is necessary to take federal taxes. Apparently, that is the way it will be, as long as there is no stable financial-economic situation in the country. Therefore, it is premature, in the mayor's opinion, to talk about local self-government. As before, collected taxes do not remain in the city. He called on the managers of municipal enterprises for savings, and he promised to control the expenditure of budget resources in the strictest way.

Economic Issues

Yeltsin Signs Decrees 'Liberalizing' Foreign Trade

LD0603144795 Moscow INTERFAX in English 1424 GMT 6 Mar 95

[FBIS Transcribed Text] MOSCOW, Mar 6 (INTERFAX)—Russian President Boris Yeltsin signed several decrees Monday to liberalize the country's foreign trade, Kremlin sources said.

One of the decrees cancels an easier customs regime for dozens of Russian enterprises - including very large motor companies - and organizations introduced by Yeltsin himself earlier, the sources told Interfax.

Another decree bans compulsory domestic sales quotas for firms wishing to export their goods or services and abolishes from March 25 the rule whereby enterprises that export strategic raw materials are to register with the Foreign Economic Relations Ministry.

Yeltsin also ordered the government to introduce by July 1 a single national system for recording foreign trade transactions.

Livshits Views Foreign Trade Decrees

LD0603184195 Moscow INTERFAX in English 1703 GMT 6 Mar 95

[FBIS Transcribed Text] MOSCOW, Mar 6 (Interfax)—Full implementation of the Russian president's recent decrees would pave the way for bringing inflation down to 3-4 percent a month by this summer, the Russian president's Advisor on Economic Issues Aleksandr Livshits told a briefing in the Kremlin today.

Commenting the decrees cancelling earlier presidential decisions on customs privileges and on the basic principles for foreign trade in Russia signed today, Livshits said the decrees had not been worked out for the IMF. He said the decrees were necessary regardless of the stand-by credit.

Livshits said the first decree provided for cancelling some provisions of 25 presidential decrees on individual customs privileges whose term had expired. He said that from May 15 some provisions of 34 presidential decrees on individual customs privileges which were still valid would be annulled.

The Russian government was instructed to cancel its decisions on privileges in foreign economic activities. Livshits said the government must report on implementation of the decree by April 5.

Livshits said privileges "could and should be granted" but this must be done openly and with complete understanding of why, for how long and on what terms they were granted. He said the presidential decrees were aimed at "cancelling the bizarre, impulsive policy under which some regions, enterprises and public organizations were receiving privileges and others were not."

The second presidential decree provides for abolishing the status of special exporters in Russia from March 25. In accordance with the decree, quantity restrictions on export, import and any non- tariff restrictions are acceptable only if the government carries out international obligations and maintains the country's defense capacity.

Russian President Boris Yeltsin signed a decree last week in accordance with which the government and other federal departments can make decisions leading to outlays not foreseen in the budget and decide on tax privileges only on the basis of presidential decrees.

More on Livshits Remarks

MM0703103695 Moscow KOMSOMOLSKAYA PRAVDA in Russian 7 Mar 95 p 1

[Unattributed report: "For Some People Today Is Again 'Black Tuesday'"]

[FBIS Translated Text] Aleksandr Livshits, economic adviser to the president, yesterday announced the signing by the president of Edicts 244 and 245, which abolish the granting of all customs concessions from 15 May. This decision comes as a bombshell: In the very near future importers bringing goods into Russia could lose tens of billions of dollars. Thus, via his new edicts the president has canceled his own decision to grant concessions to individual "special importers" and also to many other esteemed organizations—Logovaz, the Union of Disabled People, and so forth. So somebody is now going to have to calculate the billions in losses, although the edict also promises some "compensation" from the federal budget. "The size of this compensation will not match the money which the federal budget fails to receive as a result of customs concessions," Aleksandr Livshits told our correspondent.

Role of IMF Credits Assessed

MK0703081595 Moscow KOMMERSANT-DAILY in Russian 7 Mar 95 pp 1, 2

[Vadim Bardin report: "The President Has Agreed With the IMF"]

[FBIS Translated Text] After the federal budget was adopted at its third reading, foreign economic activity regulation was virtually the sole contentious issue affecting the extension of an IMF credit to Russia. The victory by Russian special exporters, who had moved from 1994 into 1995, proved to be shortlived. Under the presidential edict "On the Basic Principles of Foreign Economic Activity," special exporters will survive only until 25 March. Yesterday the president signed another edict also devoted to regulating foreign economic activity, with an indicative name: "On Deeming Presidential Decisions Granting Customs Exemptions Null and Void."

The Foreign Economic Activity Edict Is Counterbalanced by a Foreign Economic Activity Bill

KOMMERSANT-DAILY has been closely watching the ups and downs in the struggles over special exporters, with good reason. Today the decision to abolish them is no longer a sensation. IMF credits, on which the fate of the Russian budget hinges directly, have, predictably, outweighed considerations of economic security and the need for administrative state control of strategic exports, which were invoked to substantiate the need for their preservation. By a quirk of fate, the official herald of the demise of special exporters was Vice Premier Oleg Davydov, whose efforts (as well as the efforts of General Aleksandr Korzhakov, who, for his part, appealed directly to the premier) were instrumental in giving them a respite in late 1994-early 1995. It was Davydov who, speaking at a presentation of the Union of Russian Oil Exporters in London this February, announced the imminent abolition of special exporters. But the IMF was not contented with that statement, and after Viktor Chernomyrdin, during his meeting with IMF President Michel Camdessus in Paris 4 March, dotted all the "i's," Boris Yeltsin decided to mark the upcoming finalization of talks with the IMF in Moscow with an express edict on regulating foreign economic activity.

The abolition of special exporters, whose number exceeds 400 (with 14 of these in the oil business), is the key point of the edict "On the Basic Principles of Foreign Economic Activity." It is noteworthy that contrary to plans drafted by the Foreign Economic Relations Ministry, this abolition will occur not gradually (it had been supposed that special exporters would pass away in two stages, with the final stop in their case history not expected until 1 September), but in one fell swoop—by 25 March.

Even so, as KOMMERSANT-DAILY wrote earlier, special exporters have a fallback option. The bill "On Foreign Economic Activity," approved by the Duma in first reading, contains a provision legalizing special registration of exporters of strategic goods. "Special registration" is not a notifying, but a licensing procedure; therefore special exporters still have a chance to reemerge in a new capacity, sanctified by the authority of law.

Commenting on the special exporters edict, presidential aide Aleksandr Livshits said that along with the special exporters, all quantitative export and import limitations will also be abolished except for those used in world practice. The latter means preservation not only of tariff breaks coordinated between governments, but also quantitative import limitations. These limitations are formally substantiated both by the need to take retaliatory measures against those damaging the positions of Russian exporters and by the need to protect Russian producers. The above-mentioned foreign economic activity law provides for a corresponding legislative framework. The law also takes another step, legalizing state monopoly of the export and import of particular categories of goods. State monopoly for its part presupposes the imposition of yet another form of restraints on export/import activity: The goods monopolized by the state may be exported or imported only by state enterprises. Under the bill, state monopoly may be introduced only by law.

As a result, it appears that there are certain discrepancies between the presidential edict and the Duma bill even though their names are virtually identical. The edict continues liberalization of foreign economic activity while the bill (if it is adopted, of course) leaves a door open for strengthening state controls over foreign economic activity. Thus, the edict is primarily addressed to readers in the IMF while the bill, whose legal status is higher, allows backtracking when need be.

The President Has Withdrawn the Exemptions

The relation between the president's edict-issuing activity and the Duma's law-drafting is also seen over the issue of canceling tariff breaks. The president, who has demonstrated "high-speed decisionmaking" (Livshits' assessment), has outstripped the Duma, which overcame the resistance of the Federation Council and sent the law "On Matters of Granting Exemptions to Foreign Economic Activity Agents" to the president for signing. Effectively meeting the lawmakers' demand, the president canceled individual breaks which, strictly speaking, were banned earlier by a law on customs tariffs. The edict has two appendices: The first fully revokes 25 documents and the second partially repeals 34. All exemptions are terminated as of 15 May. According to Aleksandr Livshits, "no one has been spared"; the victims include the National Sports Foundation and various charity foundations which have been successfully reselling their exemptions.

The antiexemptions edict consolidates Russia's position at talks with the IMF. It not only unifies foreign economic policy but also helps replenish the budget.

Although the government is to consider the implementation of the edict as early as 5 April, it is quite likely to be reversed. Even now compensations are being prepared for those affected (the mechanism of granting them will be defined within a month). On the other hand, the ambivalent nature of the customs tariff law consists in the fact that while canceling individual exemptions, it leaves the government the right to grant tariff breaks. Considering that exemptions in general (and tariff ones in particular) are like the Phoenix, it is too soon to say that they are a closed chapter.

Chechen Conflict Has 'Scared' Western Investors

LD0203181695 Moscow INTERFAX in English 1437 GMT 2 Mar 95

[FBIS Transcribed Text] MOSCOW, Mar 2 (Interfax)—Addressing journalists in Nizhny Novgorod (Volga region), Anthony Doran, the head of the European branch of the International Financial Corporation (IFC), under the World Bank, has said that the fighting in Chechnya has scared Western investors from funding projects in Russia.

In his opinion, more Western investment in Russia directly hinges on political stability there.

In the meantime, events in Chechnya has had no effect on the IFC decision to invest $86 million in the Nizhniy Novgorod-region-based Balakhnin pulp-and-paper complex, a major paper producer in Russia. According to Doran, the IMF intends to encourage increased Western financing for Russia.

Over three years of IMF activity in Russia, the World Bank has funded 14 projects, at over $260 million, in various industrial and financial sectors, including power engineering and telecommunications.

Deputies View Economic Development, Budget Issues

LD0103150695 Moscow Russian Television Network in Russian 0530 GMT 1 Mar 95

[Video report by unidentified correspondent on news conference by Zadornov, chairman of State Duma's Budget Committee, at the International Press Center in Moscow; date not given; including recorded comments by State Duma Deputy Chairman Aleksandr Vengerovskiy]

[FBIS Translated Text] [Correspondent] Mr. Zadornov, chairman of the State Duma's Budget Committee, compared Russia's economic development with Mexico. The budget process in both countries depends to a great extent on contacts with international financial organizations. Therefore, it is quite natural that the Russian State Duma should examine and later adopt the kind of budget expected by IMF representatives. The continuing war in Chiapas did not prevent Mexico from receiving a loan of $8 billion. How will Russia's spending on the Chechen conflict be compensated?

[Vengerovskiy] It is quite obvious that hostilities do not generate budget revenue. Therefore, if this Chechen war continues, it will, of course, have an impact on the taxpayer and the budget will not balance. But, in this instance I can trust the government, which asks me, as a legislator, a deputy, to examine the budget. No doubt I can also trust the views of those specific government officials who say that repair work in Chechnya—in particular, the oil that will be produced, or something else of that sort—will yield significant additional budget revenue and completely cover the cost of, say, this Chechen campaign.

[Correspondent] Zadornov stressed that the creation of new conditions for the export of petroleum products—in other words, liberalization of existing regulations—was a very important factor in stabilizing the Russian economy. In the event that the IMF board takes a positive decision on a loan for Russia, arrangements for monitoring ways in which credit is used will be no less important. The first basic task—the endorsement of the federal budget—has now been resolved.

[Vengerovskiy] The interests of everybody have to come together when such votes are taken. This has now happened. Everything in the world changes, the views of parties and groups change. This version of the budget suits us for the time being. But one must always remember that 1995 followed 1994, and the economic situation in 1994 was not the best. I think that, apart from Chechnya, we will have many problems this year. In order to remove these problems, we have to have stability.

'Forum' Created To Boost Investment in Regions

LD0603195895 Moscow ITAR-TASS in English 1947 GMT 6 Feb 95

[By ITAR-TASS correspondent Vadim Polyakov]

[FBIS Transcribed Text] Moscow March 6 TASS—Russia needs at least 12 to 14 billion dollars a year in investments for the next twenty years.

Many agencies, organisations and banks are already working to attract the needed amounts while the emerging new economic relations make ever more obvious the need for coordinating their individual efforts and channelling available resources to projects which hold out the maximum promise of good returns to the investors and maximum usefulness to the country's economic growth.

The information and analytical structure called "the forum of regions for a stable economy" was formally established in Moscow today with this purpose in mind.

"We want ours to become a Davos-style forum for Russia and its friends," Former Economics Minister Andrey Nechayev told ITAR-TASS.

The structure aims to bring together administrators of Russian regions and leaders of ministries and financial-and-industrial groups with officials of well-established banks, financial corporations, law firms and authoritative Russian and foreign organisations capable of bringing home to potential investors in Russia and abroad the investment needs of individual regions, industries and enterprises.

Onexim bank, Mezhcombank, Olympiyskiy bank, Elbim bank, the Russian Financial Corporation, the Financial Academy, and the Guild of Russian Lawyers are among the structure's founding members.

"The two former economics ministers among the forum's founding members, myself and Aleksandr Shokhin, are young enough to want and be able to do much, while the actual ministers have their hands full of day-to-day routine work and no time to do what we can".

Aleksandr Shokhin said the new structure will be "equidistant from all political parties" in trying to help the regions realise their potential. "Russia's might will grow thanks to its regions, not thanks to Moscow alone," he said.

The new structure is a non-profit organisation, which seeks to coordinate different information flows, teach new market players project financing and do many other things.

"What I like about this forum," said Mark Zakharov, a theatrical director-turned prominent public figure, "is that I see so many young faces here. I know there are many fine young people in Russia, intelligent and energetic. They should be given this chance to do socially important work, not play politics or go begging for alms with an outstretched hand".

The forum's co-chairmen are State Duma member Aleksandr Shokhin, and Environmental Minister Viktor Danilov-Danilyan. And its board of directors comprises Chairman of the Russian Union of Industrialists and Entrepreneurs Arkadiy Volskiy and environmentalist Mikhail Gorbachev among many others.

This explains why the forum will seek to promote a combination of technical-economic and environmentally safe approaches to oil and gas extraction and refining, to the conversion of the military industrial complex to civilian uses, to power engineering, telecommunications, biotechnology, non-ferrous metallurgy, the timber industry, construction, the food industry and the show business.

Customs Chief Sees 'Major Changes' in Regulations

MK0303125095 Moscow KOMMERSANT-DAILY in Russian 3 Mar 95 p 3

[Igor Popov report on interview with Anatoliy Kruglov, chairman of the Russian State Customs Committee: "Customs Taxes Will Be Smaller, But Better Assessed"]

[FBIS Translated Text] Judging by the statements of Anatoliy Kruglov, chairman of the Russian State Customs Committee, major changes are pending in Russian customs regulations. The first and probably main event in the customs sphere this year should be the halving of customs taxes on imported alcohol, cigarettes, and cars. Furthermore, within the framework of this program it is planned to reduce the flat import tax rate for private individuals to 30 percent, with the customs-free import quota being invariable.

On the whole, the State Customs Committee program can be conveniently divided in two parts: one that reassures participants in foreign economic activity and one that causes them concern. The good news for the importers is the "strategic line toward customs tax reduction." According to Kruglov, the government has already supported the proposal by customs officials to create a Russian customs-tariff union (where the State Customs Committee will naturally hold far from the least important place), one of whose functions will be the establishment of tariff rates. Therefore statements by the customs no longer sound groundless. It should be noted that the State Customs Committee leadership wants to streamline customs procedures, which, as is known, it has itself produced in large numbers. Take, for instance, the multistage control system. It is not clear how promoting "advanced technology" (and this is how procedures will be streamlined) will be combined with consolidating the current multistage control system. It would be a big stretch of the imagination to refer to the latter as advanced technology. Three-stage control, as a method of complicating the scheme for ensuring bribe-taking, does have some sense, but even this is dubious. Yet it is very well known to what an extent such technology complicates the numerous problems participants in foreign economic activity already have.

The content of the second part of the committee program, as was mentioned above, will hardly please participants in foreign economic activity. Because, according to Kruglov, in 1995 the customs service expects a major increase in customs rules violations, with a growing proportion of "white-collar" smuggling, the State Customs Committee leadership seriously intends to institute control of all documents processed by customs houses, and to increase the volume of freight actually inspected. Furthermore, participants in foreign economic activity so far are being promised that only customs value control, currency control, and currency repatriation control systems will become reality in 1995. This should be based on foreign trade customs statistics and a single technology control program adopted by the State Customs Committee and the State Customs Service. (According to the State Customs Committee, initial joint activity by these departments, which has covered $25 billion worth of currency export operations, has revealed $2 billion in underassessed taxes). Nonetheless, customs statistics (the information base of the control system) are far from ideal. Not the least role here is played by the high "professionalism" of participants in foreign economic activity and the unprofessionalism of customs officers. Lack of consistent regulations on customs tax codes makes it possible to evade customs payments.

According to Anatoliy Kruglov, the State Customs Committee leadership is aware of this, and therefore a third edition of foreign trade customs tax regulations is pending. Apparently more detailed, and corresponding to the customs officers' level of knowledge.

National Oil Companies System Targeted for Mid-Year

MK0703095095 Moscow SEGODNYA in Russian 7 Mar 95 p 2

[AFI report: "Formation of Oil Companies System Will be Completed in Russian Federation in 1995"]

[FBIS Translated Text] The system of Russian oil companies will become finally created during the first six months of 1995. This was announced by Yuriy Shafranik, Russian Federation fuel and energy minister. There are eight major oil holding companies currently operating in the country. Three of them—"LUKoil," "Yukos," and "Surgutneftegaz"—established their structures in 1993-1994, whereas "SIDANKO," "Slavneft," the Eastern Oil Company, "ONAKO," and the Eastern Siberia Oil Company are in their formative stage. The minister said that three regional oil companies—"Tatneft," "Bashneft," and "KomiTEK"—have been created on Russian Federation territory.

Nation To Have Single System To Issue Treasury Bonds

LD0303160795 Moscow INTERFAX in English 1425 GMT 3 Mar 95

[FBIS Transcribed Text] MOSCOW, Mar 3 (FIA-Interfax)—A uniform national system for the issue of treasury bonds is to be established in Russia from mid-April, the Federal Treasury chief said.

By that time special equipment will have been bought and personnel trained, "so that treasury bonds are issued only via the Federal Treasury," Aleksandr Smirnov told Interfax's Financial Information Agency.

This will enable the Finance Ministry to save the money it currently pays as commission to commercial banks authorized to distribute bonds, Smirnov said. Currently 17 banks are distributing 7 trillion rubles' worth of bonds that have already come out, receiving commissions of up to 3 percent Smirnov said the Treasury would not confiscate those bonds from the banks but that bonds to be issued henceforth, initially to the tune of 4 trillion rubles, "must go through the single...system."

*Efficacy of Fixing Ruble Exchange Rate Discussed

954E0610A Moscow ROSSIYSKAYA GAZETA in Russian 25 Feb 95 p 3

[Article by Dmitriy Nulin: "A Price List for the Dollar. Will Setting a Fixed Currency Exchange Rate Solve the Problems of the Financial Market?"]

[FBIS translated text] Rumors about the forthcoming setting of a fixed exchange rate for the dollar are being talked up yet again in the mass media, in the corridors of power, and just among the public. To be sure, a new definition of the freeze has surfaced—"a flexibly fixed exchange rate." Apparently, exchange rate fluctuations within the limits severely restricted by the Central Bank are what is meant.

Will the might of the ruble mount if the dollar is bound hand and foot? Not one specialist has responded to this question with an unqualified "yes." This means that the people will turn to the black market with its unofficial, shadow exchange rate. Speculation and organized crime alike are old hat to them.

Now let us listen to specialists. In the opinion of A. Goloviznin, an expert of the Division of Analysis of the MVD [Ministry of Internal Affairs] Main Department of Economic Crime, setting a fixed exchange rate might make economic sense. Over time when the fall of the ruble is stopped a ruble shortage could develop, and the inflationary curve would edge down. This is the main prerequisite for investment in the economy to start. Millions of dollars of the Central Bank which used to be spent will now replenish the foreign exchange reserve. However, all of this will be possible if the rate of reduction in output is reduced, and neither military hostilities nor large-scale strikes occur in the territory of Russia.

The opinion of Jean Foglizzo, a representative of the International Monetary Fund in Moscow, is interesting.

"If the government decides to set a fixed exchange rate, it will definitely prompt 'runaway' purchasing of dollars even at the fixed rate (certainly at the current level or a little higher). The government will have to introduce restrictions and controls for the purchases of dollars, or else the foreign exchange reserve will be depleted very quickly. The black currency market will flourish; after all, someone will definitely offer dollars without restrictions but at a considerably higher rate. As far as the public is concerned, it needs liquid tender which shields savings against inflation at least to a degree.

"The rate of inflation could indeed be reduced if the country lived entirely on imports. However, in your country this sector is not too big, and comprises mainly consumer products. It remains to be seen whether prices for such goods would fall. However, the main cause of inflation is found in inefficient production."

Ways to reinforce the national currency through the introduction of several monetary units are known throughout the world, including the parallel circulation of the ruble and the "gold chervonets" in the USSR in the 1920's. Jean Foglizzo went on to say: "In your country, replicating something akin to the 1920's monetary reform is in doubt. The people no longer have the confidence in the state they had then. As long as there is no clear-cut program for reducing inflation to 4-5 percent, there is no hope that the introduction of a fixed exchange rate of the ruble will produce favorable results. It would be better to help the people place the funds in the already proven and trustworthy liquid state short-term and treasury bonds (GKO's and KO's)."

This could give rise to doubts. It is well known what the International Monetary Fund advises (foreign investment, loans, interests...). As it is, we attach significance to the words of others only when we are convinced that they are entirely disinterested. For the sake of objectivity we quote the views of other economists.

In the opinion of Ruben Yevstigneyev, deputy director of the Institute of International Economic and Political Studies of the RAN [Russian Academy of Sciences], the deductions of the unknown (invariably unknown) managers, "financial surprise" or "miracle" factories bring about nothing but positives: The exchange rate would be fixed; consequently, the ruble would not fall. This means that the advantage of investing funds in dollars would diminish. Subsequently private savings would come back to life; the capital of enterprise would flow into GKO's and KO's; budget revenues would grow; inflation would fall; an inflow of investment to industry would begin.

Ruben Yevstigneyev went on to say: "Actually, the exact opposite would happen. The fixed rate would apply only at one segment of the market, the Interbank Currency Exchange. The rate at the other segments would shoot up (even now these rates differ). It should be kept in mind that the currency market is a part of the financial market: Capital flows in the economy would cease when the exchange rate is fixed. Quotations of securities, first of all enterprise shares, would unavoidably fall; the KO's and GKO's would be less attractive; an outflow of investment would begin. A blow would be struck at production from this direction, and only importers of foreign goods would be interested in this. They would deal another blow to domestic producers with their imported goods.

"Prices for these goods would hardly stabilize; it would rather be the other way around provided, of course, that prices are not rigidly fixed and controlled (however, this would amount to setting things back!). Consumers would be the first to lose. As far as the dollars (which at least somehow circulated in the economy, acting as tender) are concerned, they would migrate abroad. The Central Bank would still have to sell foreign exchange and assist in offsetting the trend toward the growth of the state budget deficit. As a fixed rate is set this trend would accelerate. Only out of desperation could we resolve to take this measure at present: The freeze could produce a favorable result with inflation being 4-5 percent a month and production being stable."

A. Shkut, deputy general director of the Gazeksport for financial issues, and L. Rozenova, adviser for economic issues to Chairman of the Gazprom Joint-Stock Company R. Vyakhirev, have a quite similar view of the consequences of fixing the exchange rate of the ruble for their industry which has an enormous export potential:

"The difference between the domestic and world prices for gas comes to about 30 percent at present. It is out of this difference that pipes and other equipment necessary to sustain and develop gas-producing enterprises are purchased. If inflation continues while the exchange rate is fixed, export proceeds would diminish considerably, but outlays on the acquisition of equipment would increase. Raising gas prices within the country is fraught both with social consequences and the aggravation of arrears. At present, we succeed in collecting only 51 percent of the amount consumers owe for gas in the domestic market, and in the CIS—42 percent. The gas-producing industry would loose if a fixed foreign-exchange rate is introduced."

"In the opinion of a majority of economists, a fixed exchange rate of the ruble would bring about exporters evading the sale of currency in every way possible. The public would begin to purchase foreign exchange on a massive scale. A common lack of confidence in the action underway would push the dollar up. However, if you stop inflation the dollar would fall all by itself. Setting a fixed exchange rate is nothing new, we have been through all of that."

At a press conference on 23 February, Minister of the Economy Ye. Yasin stated that the introduction of a fixed exchange rate of the ruble against the dollar is out of the question before financial stabilization is achieved.

*Pochinok Comments on Tax Reform

954E0610B Moscow ROSSIYSKIYE VESTI in Russian 25 Feb 95 p 3

[Interview with Aleksandr Pochinok, deputy chairman of the State Duma Committee for the Budget, Taxes, Banks, and Finance, by Valentina Vedesova; place and date not given: "The First Tax Changes Are Expected in March"]

[FBIS translated text] **As has already been reported, ROSSIYSKIYE VESTI is holding something of a public council on the issue of improving tax legislation. We are inviting our readers to take part in this conversation. In our previous review of opinions published on 16 February the State Duma was criticized for being in no hurry to remedy distortions in the tax system. According to industrialists and merchants, paying all the required fees and levies frequently forces them to give to the state sums which exceed the profits received. As the president admitted in his message to the Federal Assembly, "mass concealment of income from taxation" occurs as a result. Could it be that the Duma does not understand just how pressing the problem is? Aleksandr Pochinok, deputy chairman of the State Duma Committee for the Budget, Taxes, Banks, and Finance, responds to this question.**

[Pochinok] We understand full well. If only taxes were levied on enterprises they would bear it, but this is not the case. At present, it is not enough for them to pay more than 40 types of federal taxes and about 70 types laid by the components of the federation; they also have to make withholdings for off-budget funds—the pension fund, the social insurance fund, the medical insurance fund, and those for other purposes, including audits of various kinds. If we were to assess all of these contributions as a proportion of the country's gross product, it would turn out that almost one-half of the gross national product is redistributed by the state. The reason is that in our country the lingering belief is that the state knows better how to allocate the funds. That is to say, the need for taxes is great because the state rather than the citizens themselves is entrusted with the redistribution of funds. All societies must strike a reasonable balance of centralized expenditures which cannot be upset by either the federal or local authorities. Such is the first problem which it is necessary to solve as we embark on devising an optimal taxation system.

The second problem is to stop inflation. The president made the same point in his message. The main tax, the inflationary tax, will remain otherwise. It is a determinant of the growth of prices, the bank interest rates, and the short terms of extended credit. Because of this tax, enterprises are compelled to factor into the cost of products their projected prices, taking into account more expensive accessories, raw materials, and energy resources. Proceeds are often completely wiped out by inflation which leaves no funds to maintain production, to say nothing of expanding it.

Only after these conditions are met will it be possible to move on to the reform proper.

[Vedesova] Will this require a great many years?

[Pochinok] We do not have even a year for this. The budget now being adopted must accomplish these tasks, although it will be difficult. This is necessary.

[Vedesova] What will the tax reform consist of?

[Pochinok] In June, the cherished dream of economists, economic functionaries, and lawyers will come true: The Tax Code will be approved. It was expected that it would be developed last year, but it did not work out. It is a very complex document. Besides, our country has no experience in designing such a document. At present, three groups of economists are working on it, and each is proposing its own version. These results are confronted with a sober look at the essence of the code by the Ministry of Finance of the Russian Federation. The main advantage of the code is that tax legislation will be boiled down to a uniform document which is similar to the KZoT [Code of Labor Law] everyone knows. It will be a directly applicable law and will restrict the number of instructions which cause confusion and puzzle accountants.

[Vedesova] This is to say that we have less than half a year to wait....

[Pochinok] No, joyful changes in the tax system will occur much sooner. First of all, the Law on Amendments and Additions to the Law on the Fundamentals of the Tax System is being prepared for adoption in March. Virtually nothing remains of its version which was proposed by the government at the end of last year; many amendments have been made in State Duma committees in the process of working on the law. Taxes will finally be separated from fees in that law. In addition, the number of taxes will be reduced. Taxes on operations with securities, proceeds of banks and insurance organizations, and on the right to include the word "Russia" in company names will be canceled. Approximately 29 types of taxes will remain. The number of taxes which territories can lay on their own will also be reduced sharply although it may be expected that such prospects will not be to the liking of the components of the federation. However, this is necessary.

Here is very joyful news for legal entities: The law being adopted endows the tax service and the taxpayer with equal rights. The taxpayer will be granted the right to obtain from the tax inspectorate all the necessary information on changes in legislation. There are provisions on the duty of the tax service to provide such information. Besides, when accusing an enterprise of not paying the full amount of taxes, the services will be entitled to recover only the sum of the shortfall while not being able to withhold surcharges, penalties, and fines unquestioningly (as is the case now), suggesting that the client take them to court if he disagrees. No, state inspectorates will now have to assert their right to penalize an enterprise or its representative financially through the courts.

Of course, this is not simple, and at the initial stage the state may suffer losses because of this novelty. However, in the absence of it the country cannot claim to be a civilized state.

It is also expected that the functions of the tax service and the tax police will be strictly separated. It does happen at present that the tax service visits a plant in the morning and the tax police in the afternoon. Both audit the same documents. No, the inspection should administer audits whereas the police should carry out operational investigations by all of its characteristic methods, up to infiltrating its agent into the work force of the enterprise in order to gather evidence of malicious violations. In turn, the task of the tax inspectorate is to help its clients to avoid mistakes and to explain the essence of novelties.

[Vedesova] It is hard to believe that our tax inspectors will be able to master a new style of mutual relations with individuals.

[Pochinok] New procedures for the generation of tax funds which the law introduces may facilitate this. At present, the funds are replenished with percentage withholdings from the uncovered "concealment" of tax payments. From now on the size of the funds will be tied solely to the volume of work done by the inspectors.

In addition, it is expected that the value-added tax and the special tax which is greatly reminiscent of the VAT will be reduced. By 1 January of next year, the special tax will be canceled completely, just as the tax on profits collected on the excess over the standard rate of expenditures on the compensation of labor.

[Vedesova] Could we hope that all of these indulgences will lay the foundation of the optimal tax system, which will not hinder investment?

[Pochinok] Perhaps not. The total amount of taxes will remain high nonetheless. We should cut down on state expenditures in order to reduce the amount: We should cancel subsidies to unprofitable enterprises, and reduce outlays on the army (its strength should be reduced by a factor of two). Besides, the state should begin making money on the sale of securities and on the diamond market, and see to it that budgetary funds are disbursed for the intended use. The taxpayer's burden will then be lightened.

*Tax Police Deputy Chief Views Challenges

954E0605A Moscow RABOCHAYA TRIBUNA in Russian 25 Feb 95 pp 1,3

[Interview with Ivan Chernoivanov, deputy chief of the Administration of the RF Department of Tax Police for the City of Moscow, conducted by Lidiya Pronina: "The Merry Life of a Tax Policeman"; date and place not given]

[FBIS Translated Text] **There is a saying in Russia: "Only fools pay taxes." Millions of citizens, however, whose pockets are cleaned out by all kinds of dubious firms, banks and institutions, have turned out to be fools. Where is the state looking—that is the topic of our correspondent's interview with Ivan Chernoivanov, deputy chief of the Administration of the RF Department of Tax Police for the City of Moscow.**

[Chernoivanov] One of the functions of the tax police is to disclose the structures which are under the control of organized crime and revealing economic crimes. For example, in conjunction with the criminal investigation GUVD [Internal Affairs Main Administration], we checked out the activity of Zaorykin, director of the individual-private enterprise, Svyatoy Georgiy, who concealed taxes amounting to a sum of over 300 million rubles [R]. The materials that we obtained made it possible for the UGRO to get on to a group of gangsters which had 13 murders to its credit. A whole arsenal of weapons was confiscated.

We recently found weapons in another firm. Here there was a military grenade launcher, grenades for it, six detonators, a fuse for a hand grenade and the 20-millimeter shell of an aircraft cannon. We were, in fact, just starting an ordinary planned check with the object of—adherence to tax legislation.

Last spring, in conjunction with the GUVD Administration to Combat Economic Crime, we dealt with one organization, headed by a foreign citizen. A criminal case was brought, and the federal and state budgets had an additional R2.5 billion. This man's personal account was established in a London bank.... His basic capital, concealed from taxes, was sunk in one of the investment funds. The activity of the fund has now been suspended.

In the Eastern Administrative District, our services and the criminal police checked the financial-economic activity of the Moscow External University for the Humanities. As a result, R1.5 billion was added to the federal and state budgets. Investigations are being made....

Close contact between the tax police and sub-units of the FSK have made it possible to reveal and stop violations of tax legislation by directors of the BMKh Firm TOO [limited liability partnership]. The fact that its branches were located in different areas of the city made it more difficult to run a check. Due to the precise interaction of the two law-enforcement structures, however, the check was completed in a relatively short time, and the budget had another R941 million added to it.

The commercial firm, Undis, recently found itself under the eye of one of the department's divisions. This firm had received about a billion rubles in just two months. A check of the banking documents showed that this money was being converted and transferred to England, to the accounts of foreign firms. It was subsequently established that the firm had been set up on the basis of forged documents, and the general director and chief accountant were figure-heads. The accounts were arrested, and the actual founders of the firm are wanted persons.

[Pronina] Are there many such "businessmen" being hunted down?

[Chernoivanov] In 1994, over a thousand legal and about 250 physical persons were hunted down.

[Pronina] Ivan Konstantinovich, your service, as I understand, is charged with the duty of revealing crimes in the sphere of economics. How do the tax police differ from similar departments of the criminal police and the sub-units to combat organized crime of other law-enforcement agencies?

[Chernoivanov] We handle exclusively tax crimes and law violations, and in particular, we organize search-operations measures, conduct inquiries and carry out measures to reimburse losses caused the state by law violators. In addition, we ensure the safety of the activity of state tax inspectors, and protect their staff members from illegal infringements when carrying out official duties. Finally, our task is to prevent, reveal and stop corruption in the tax organs.

[Pronina] What is the shortfall in the money received by the state?

[Chernoivanov] Unfortunately, we have no precise data at our disposal, and I can only name the amount of funds that we have added to the budget as the result of our checks. It is—this includes fines as well—over R800 billion. Some R150 billion has actually been transferred to the federal and state budgets, that is, every fifth ruble. This is according to the 1994 results.

[Pronina] Where is the difference?

[Chernoivanov] It is not all that easy to find. A full tax collection is prevented for a number of reasons. In particular, the way legal persons avoid registering at the state inspectorate. Some citizens, of course, for a fee, hand over their apartments to all kinds of firms as a legal address. Here are a few examples: Shmitovskiy Lane, House No 15—was registered for about 800 legal persons; Lobachevskiy Street, House No 66—over 2,500; Leninskiy Prospect, House No 36—almost 1,000; Borovskiy Lane, House No 6, Apartment 36—up to 3,000. The overwhelming majority of them, as was revealed, did not present any records to the tax organs for a long time, and did not give notification of changes in their legal addresses.

It is paradoxical, but it is a fact: production is dropping steadily, but commercial structures, on the contrary, are spreading. While by the beginning of 1993, 199,900 economic components were registered, by the beginning of this year the number was already 370,000.

What is, in fact, happening? Some firm is set up. In its early days, it enjoys certain tax benefits. But the period of becoming established ends, and then the newly-fledged businessman seems to self-liquidate himself, but in reality he organizes a new firm, using the same funds. In this way he escapes paying taxes, but he obtains double benefits.

[Pronina] Are there also figure-heads?

[Chernoivanov] There are plenty of examples. Let us say, there are pensioners and disabled, if I may put it that way, on the staff. This means additional benefits.

[Pronina] Who should control all this?

[Chernoivanov] There is a registration office for this purpose. They only record the registration there, however, they see if the papers are filled out correctly. Such cases could be eliminated, or at least cut down, if the registration procedure were changed. For example, a registration certificate should be issued only to those who present a certificate from the tax agency to the effect that there are no claims on this founder with respect to the former place of business. I do not think that debtors deserve to be registered until they settle accounts with the state.

[Pronina] Do your checks often end up with criminal proceedings being instituted against the violators?

[Chernoivanov] In the 12 months of 1994, 28 criminal proceedings were instituted, through us and according to our material. Six were dropped, and the rest are under consideration by investigation agencies. The reason—their workers were not prepared to conduct these cases. We do not have our own investigative machinery, although the department has gone to the government with a proposal to invest us with these powers.

[Pronina] Do they always let your colleagues into the offices?

[Chernoivanov] If there is a smack of criminal activity, they try not to let them in. This is done so that they can destroy compromising documents and remove important information from the computers. They go as far as direct threats. Last year we had to carry out over 800 protection measures, connected with ensuring the safety of the tax inspectors and our colleagues, and moreover, in 30 cases we carried them out for a long time. There are cases of arson in apartments, laying explosive devices, and attacks. Just before the New Year, the chief of one of our sub-units was brutally beaten up.

[Pronina] You have probably had to face the dilemma of, on the one hand, having to consider a firm's right to commercial secrecy, and on the other hand—the interests of the ordinary citizens who, to put it mildly, they are swindling.

[Chernoivanov] The law obliges us to ensure that a commercial secret is kept. There is an established procedure, and we try not to violate it. In any case, we have received no complaints about leaking information to competitors or racketeers. It is another matter when, under the cover of a commercial secret, dishonest people conclude illegal transactions and hide from paying taxes. Incidentally, there is a list of information which cannot constitute a commercial secret for control agencies. It is government-approved.

[Pronina] Now about corruption: how successful have you been in stopping it in your own ranks?

[Chernoivanov] I will not hide it—my colleagues have been offered bribes. In return, the commercial structures asked that the fines be reduced. Last year the directors of the Irina and Vekta TOO were arrested for attempting to palm off a bribe. Criminal proceedings were instituted in both cases, and those persons were punished. Incidentally, we, in turn, asked the directors of the firms and the security service of the banks to inform us of cases of extortion on the part of workers in the tax services and the police.

[Pronina] Do you know of cases when a firm specializing in credit-monetary operations warns the clients, in good time, of its bankruptcy and pays them back the debts?

[Chernoivanov] As a rule, the money in the accounts and the directors themselves disappear.

[Pronina] Thousands of people are deprived of their savings in the crash of financial companies. The state has essentially washed its hands of solving this problem. Moreover, high-ranking officials are not ashamed to name those who have surrendered their money to them for "khalyavshchiks" of interest. But has the state itself not given rise to this situation with its wasteful policy, its unskillful management?

[Chernoivanov] It is a difficult question. I can understand the old people, who have decided to set something aside for themselves for a rainy day through these monetary operations. After all, though, it is mainly a question of private firms and banks, and moreover those directed by dishonest people. Why should the state answer for them? In my opinion, it can be a question only of moral responsibility. Our citizens, in resorting to these transactions, obviously forget that we are already living in a new stage of development.

[Pronina] And who, pardon me, proclaimed what the stage is in our country?

[Chernoivanov] Well, since private ownership has arrived, it is obviously a question of a capitalist society. Don't you agree?

[Pronina] In my opinion, what is taking place in our economy right now is robbery in its truest form. In any civilized society there are norms and laws regulating the financial relations between firms and clients, firms and the state. We always find a mass of excuses when avalanche situations arise. Hence the negative attitude toward the tax policy followed by the state and the controlling organs. The people simply do not know where their money goes. Do you really think that under these conditions you can seriously talk about tax discipline, even among law-abiding citizens?

[Chernoivanov] There really is a great lack of coordination. This will remain until we achieve stability in the economy and order in the securities market, and until we stop inflation.

[Pronina] What is your attitude toward associations for the protection of investors' rights?

[Chernoivanov] It is generally positive but, unfortunately, they are not yet very effective. I would advise the people of Moscow to be more circumspect, before they conclude a contract with a certain specific firm. An investor has the right to demand the license for monetary operations, and the regulations, and to ask for the legal address of the head organizations and the last names of the directors. If information is concealed, under various pretexts, this means that all is not well here.

St. Petersburg, Leningrad Oblast Cooperation Viewed

954F1552A Moscow KOMMERSANT-DAILY in Russian 21 Feb 95 p 2

[Article by A. Sinitsyn: "How Anatoliy Aleksandrovich Made Up With Aleksandr Semenovich"]

[FBIS Translated Text] **What happened at the highest levels no one knows for certain. But a fact remains a fact: A thaw has occurred in the bureaucratic cold war between the administration of Leningrad Oblast and that of St. Petersburg. Mayor Anatoliy Sobchak and Aleksandr Belyakov, governor of the oblast, conducted a joint session of their governments last weekend. The last time Anatoliy Aleksandrovich and Aleksandr Semenovich met in this way was a year ago. In the intervening periods between sessions their subordinates used all means available to assert themselves in attempting to prove to the neighbors which is more important: the oblast or the city. Now, however, the former opponents managed to come to an agreement regarding several basic issues. Observers are not excluding the possibility that a serious step has thus been taken toward unification of the oblast and the city.**

Chronicle of the Opposition

There were ample reasons for relatively petty, as well as some major, conflicts between the administrations. The biggest conflicts developed against a background of financial-property relations. For example, at one time the city equated the oblast to all the other Federation subjects, as a result of which oblast budget workers received accommodations in St. Petersburg on leasing terms comparable only to the leasing terms offered commercial organizations. The oblast dealt a retaliatory blow by privatizing the only plant in Russia specializing in disposing of dead animals and pathological material and also changed its production profile. At the same time the plant was listed in the State Register as one of the enterprises-monopolists in that branch and, according to the privatization program, was not subject to it. The chief doctor for sanitation in St. Petersburg had already indicated that the city was facing an epidemiologic threat.

Then the city made an attempt to move the high-security psychiatric hospital to the same building housing the children's hospital, motivating that by the need to expand Kresty SIZO [preliminary detention facility]. In order to make certain that those in the oblast would really be put in their place, St. Petersburg hinted that it would not be a bad idea for the oblast court to vacate the building it now occupies, which belongs to the city, and lease space at the Lengrazhdanproyekt Institute. The oblast administration, in turn, demanded acquisition of the building. Then the oblast sharply increased prices for food products being supplied to St. Petersburg—Anatoliy Sobchak declared that so far "American chicken legs" are cheaper than local chickens, and there cannot even be any mention of making purchases in the oblast. Documents dealing with changes in the boundaries between the city and the oblast in Vsevolozhsk and Vyborg Districts were alternately trapped in the offices of the mayor and the governor (the need for such a decision was brought about by the objective requirements of city development), even though that change has been repeatedly coordinated and residents of areas being shifted (from the oblast to the city) have expressed themselves unanimously in favor. Aleksandr Belyakov once publicly complained that "there are tens of examples where the oblast has been belittled by the city." Anatoliy Sobchak restrained himself and made hints.

Happy Ending

Such relations formed over a period of three years involving many questions concerning coexistence, which participants of the session repeatedly recalled and by sheer inertia even attempted to determine whose fault it was. They were, however, unable to distract themselves too much from the previously prepared decrees, in many regards due to the authors of those documents who inevitably proposed their adoption in time. The well-publicized nature of the joint session obligated the heads of government to conform to their image as wise, businesslike, and constructive leaders by their actions, which they created for each other readily and enthusiastically at their press conferences. Therefore a compromise was reached.

As a way to resolve property disputes the sides created a commission for the delineation of property that is also to study the question of lease payments. Such a decision does not present much of an obligation and the externally peaceful demeanor of the mayor and the governor undoubtedly contradicts the thought: "We shall see yet which side will win in the commission." At the same time the side of Sobchak appears preferable even if only because most of the property disputes pertain to property located on the territory of the city. The fact, however, that the present jointly prepared decrees fully satisfied everyone, allows one to hope that similar results will be produced by work to be done by the commission.

A referendum among residents of the territories that are to be ceded to the city will be conducted in May. Its results will be relayed to the Federation Council by August. No one doubts that the population will once again vote "yes" and the territories will become part of the city by the end of the year. In addition to that another joint commission has been created—"for regulation of city planning activity within the zones of mutual interest," which will henceforth be in charge of the current boundaries. That commission is headed by architects who should grant the boundary disputes more of a speculative and peaceful character.

St. Petersburg and the oblast also agreed to conclude an agreement on delivery of agricultural products each year before 1 March. The attempts by Anatoliy Sobchak to recall the notorious "American chicken legs" were interdicted by Aleksandr Belyakov, a professional poultry breeder, who said that in the United States chicken breeders-exporters are subsidized twice by the government and it would not be such a bad idea to introduce that practice in our own case. In part the city agreed with him: This year, in accordance with an agreement, St. Petersburg will make advance payments on 50 percent of the products of plant growers (146.5 billion rubles [R]) and will also "stimulate" development of animal husbandry to the tune of R173 billion. In a solemn manner, almost as if signing a peace treaty, the mayor and governor affixed their signatures to a letter to Aleksandr Zaveryukha with the request to allocate the promised R50 billion out of the Federal Food Corporation reserve fund for organization of its regional department

Why All of a Sudden?

The motives behind the unusual behavior by two longtime competitors are unclear. On the other hand, the thought of unifying efforts to obtain money from the federal budget has been expressed a number of times. By the way, Aleksandr Belyakov is a deputy of the Federation Council. Many of the federal programs for St. Petersburg that have already been adopted deal with the interests of the oblast, and vice versa, while many new interests of the city and the oblast could be formulated into new federal programs. Sobchak and Belyakov talk about that with particular pleasure. On the other hand today's interest by international financial organizations (European Bank of Reconstruction, World Bank) in the region is mainly connected with macroprojects involving both the city and the oblast (the dam, the beltway, and small building construction) and it would simply be shortsighted to squabble in front of Western partners—after all they could end up giving nothing. No matter how it is, the point is also that we are speaking about unification of efforts, which, of course, is far from the unification of territories but it is quite adequate for the appearance of appropriate rumors.

Nazarchuk Urges Chernomyrdin To Support Edict

LD0203180195 Moscow INTERFAX in English 1437 GMT 2 Mar 95

[FBIS Transcribed Text] MOSCOW, Mar 2 (Interfax)—Aleksandr Nazarchuk, Russian agriculture and food minister, called on Prime Minister Viktor Chernomyrdin to support and submit to the president for signing a decree, drafted by his ministry, on credits for sowing and harvesting of crops in 1995.

Sources in the ministry told Interfax that the country's agricultural sector requires at least 10 million rubles in state credits, of which 6.5 trillion must be made available in the first half of 1995.

Nazarchuk's letter to Chernomyrdin emphasizes that despite the steps taken to improve their finances, agricultural producers are still in dire financial straits and so cannot make all the necessary preparations for the spring sowing.

Nazarchuk also wants credits for purchases of farm machinery and pedigree cattle with repayment in five years. In this way, he argues, the production potential of the urban areas would be maintained and farming machinery factories be kept in operation.

He makes it clear that unless these steps are taken Russian agricultural producers cannot carry out the spring sowing properly and so the foodstuffs will be in still shorter supply in Russia.

*New Draft Laws on Agriculture Noted

954E0592C Moscow KRESTYANSKAYA ROSSIYA in Russian No 6, 13-19 Feb 95

[Unattributed article: "New Laws Being Prepared"]

[FBIS Translated Text] Federation Council deputies have resolved to submit for State Duma consideration a draft law entitled "On State Regulation of the Agro-Industrial Complex." In the opinion of the Federation Council's Agricultural Policy Committee, the destructive processes that have been occurring in the agro-industrial complex during the transition period can only be halted through a legal foundation of state regulation.

The proposed draft law does in fact define the principles, methods and forms of state influence on agro-industrial production. In the deputies' opinion it should help stabilize the agricultural produce and food market, support priority economic relations between agriculture and other sectors, and help overcome the gap between standards of living in rural areas and cities.

Another draft is the draft law entitled "On Collective Agricultural Enterprises," prepared by the Ministry of Agriculture and Foodstuffs. This draft proposes that collective forms of farming be offered most-favored status. It appears that this draft would duplicate certain portions of the Civil Code, which already contains legal standards pertaining to production cooperatives.

Experts also believe that some standards contained in the draft law "On Collective Agricultural Enterprises" will infringe upon other Russian laws, including the Constitution. For example, Article 5 of the draft states: "The transfer of land shares and property shares to an enterprise's statutory fund will result in the loss of its members' ownership rights over the shares in question." Yet Article 8 states: "Procedure for resolving property relationships upon termination of membership shall be determined by the enterprise's charter. In such cases the release of property in kind is not permitted."

It is obvious that those who wrote this draft are attempting to protect Russian agriculture against further destruction. However, experts are asking whether the law "On Collective Agricultural Enterprises" (if passed) might not tend to preserve super-large but also inefficient enterprises.

It is most likely that consideration and passage of the law "On Collective Agricultural Enterprises" will not occur in the foreseeable future, and therefore neither the supporters nor the opponents of the concept contained therein should expend much effort wrangling over this now. Let us wait and see.

*Impact of Food Processing Privatization on Farmers Assessed

954E0592A Moscow KRESTYANSKAYA ROSSIYA in Russian No 52, 31 Dec 94 p 2

[Article by Yuriy Volokhov and Aleksey Filatov: "Will the Processing Industry Consider the Farmer?"]

[FBIS Translated Text] The president of the Russian Federation has signed an edict entitled "On Special Features of Privatization of Enterprises for the Primary Processing of Agricultural Produce, Technical Services and Supply to the Agro-Industrial Complex," issued on 20 December 1994, No 2205.

What prompted the creation of this document? One of the "achievements" of "Chubays-style" privatization was, paradoxically, an unprecedented tightening of the local monopolies enjoyed by processing enterprises. In the process of becoming stock companies a majority of them selected the second privatization option, under which their employees received 51 percent of shares (a controlling block). As a result kolkhozes, sovkhozes, joint-stock companies, limited companies and other agricultural producers essentially lost all means of affecting the prices established by processors for meat and dairy products, for example. It is now simply unprofitable for farms to sell their produce to processing enterprises. Some agricultural producers have begun marketing their produce directly and others are attempting to get into processing, but both groups have sharply curtailed production, particularly of milk and meat. One of the results is that in Moscow, for example, the price of milk has surged to R2,000 [rubles] per liter.

Of course, now the processors are also suffering because the farmers are refusing to sell their produce to meat and dairy processing plants. This was the situation in which the presidential edict of 20 December 1994 was issued.

Will it help? Hard to say. At the present time approximately 90 percent of all processing and service enterprises have already been privatized, and 80 percent of those selected the second option. The edict recommends that when these become joint-stock companies they conduct a second stock issue, placing the shares with agricultural enterprises. Whether the joint-stock companies' employees will agree to this is not clear. If they do agree, where will the impoverished farms find the money to buy shares? For that reason it is unlikely there will be full compliance with the edict's mandatory requirement that as yet unprivatized processing and other enterprises in the agro-industrial complex conduct privatization using the first option (i.e. with sales of the greater portion of shares to kolkhozes and sovkhozes).

[Signed]Yuriy Volokhov

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Commenting on the presidential edict regarding privatization of certain agro-industrial enterprises, Aleksandr Livshits, Russian Federation presidential aide for economic affairs, emphasized its tremendous importance. According to Livshits, the edict creates the proper conditions for agricultural producers to participate in decisions affecting prices for the products of the processing complex, and also to receive dividends. Under the edict, processing and agricultural service enterprises are to be privatized in such a way that they will become open joint-stock companies, and the portion of shares offered for sale will be sold to primary agricultural producers. This is a decision that has long been needed, emphasized the president's aide.

[Signed]Aleksey Filatov

*Federal Foodstuffs Corporation Operations Explained

954E0592B Moscow KRESTYANSKAYA ROSSIYA in Russian No 5, 6-12 Feb 95 p 2

[Article by Olga Tugina: "The Federal Foodstuffs Corporation: What Is It?"]

[FBIS Translated Text] It is common knowledge that the law "On Procurement and Delivery of Agricultural Produce, Raw Materials and Foodstuffs for State Needs" was enacted in December 1994 (see KRESTYANSKAYA ROSSIYA No 3, 1995). In compliance with that law, on 26 January the Russian Government passed a decree defining two levels of state order formation, the federal and the regional. The Russian Federation Federal Foodstuffs Corporation, established last fall under the Russian Federation Ministry of Agriculture and Foodstuffs, was defined as the principal state customer. It will determine the annual need for Russian financial and credit resources to purchase agricultural produce for state needs.

The law provides for purchases from producers on a contractual basis, at guaranteed procurement prices, and with advance payment in an amount not less than 50 percent of the contract amount. Furthermore, the agricultural producer will receive 25 percent immediately after conclusion of the contract and an equal amount after planting is completed. Involved in the determination of these guaranteed prices were specialists from the Ministry of Agriculture and Foodstuffs, the Ministry of Economics and appropriate scientific institutions. They took into account production costs, inflation, price increases in our consumer market, world prices and the correlation between our products and world standards. For example, it is proposed that the guaranteed wheat price be set at R350,000 [rubles] per metric ton, R670,000 for milk and R850,000 for sunflower seeds. There are plans to index these prices to actual inflation in the future on the basis of State Committee for Statistics figures.

The decree sets quotas for regions with regard to delivery of produce and raw materials to Federal supply centers. Furthermore, according to Vladimir Shcherbak, deputy ministry of agriculture and foodstuffs, these quotas should be perceived not as restrictions, but rather as the production volume that has genuinely guaranteed state support. According to recommendations from Ministry of Agriculture and Foodstuffs specialists, the components of the Russian Federation should make efforts to establish regional supply centers and define procurement terms. The right to establish prices for produce delivered to those supply centers will be granted to local governments.

In view of these innovations the Ministry of Finance, the Ministry of Agriculture and Foodstuffs, Roskhlebprodukt AO and other organizations which received loans of budget funds in 1993-94 to purchase foodstuffs as state resources are obligated (under the decree) to pay all the funds received by them for produce into accounts belonging to the Federal Foodstuffs Corporation by 1 April 1995 or else place the agricultural produce thus purchased under its control. The government has also allowed the corporation to impose charges in an amount of up to 3 percent of the total volume of agricultural produce, raw materials or food purchases in order to fund its operations.

International Affairs

'Civilized' Behavior Urged During Yeltsin Visit

LD0603164795 Moscow INTERFAX in English 1625 GMT 6 Mar 95

[FBIS Transcribed Text] KIEV, Mar 6 (Interfax - Ukraine)—Ex-President Leonid Kravchuk has expressed the hope that President Leonid Kuchma would behave like the president of "a great power" when he receives his Russian counterpart, Boris Yeltsin, shortly due in Ukraine for a visit, and that "the Belarussian events will not be repeated."

"All parties and political forces must behave in a civilized manner during the visit," Kravchuk, who today leads the public organization Porozuminnya, said at a news conference in Kiev.

He said Ukraine certainly could state - "in tolerant form" - its attitude to what the Russian leader is doing in Chechnya or to proposals by some members of the Russian parliament for denouncing the accords that put an end to the Soviet Union. "But let us respect the position of our president, whose decision to invite Yeltsin was motivated by national interests," he said.

Some time ago, Kravchuk, commenting on the Chechen events, said people would "throw rotten apples" at Yeltsin if the latter came to Ukraine.

Kiev Worried Over Gas Debt to Russia

LD0603203895 Kiev UNIAN in Ukrainian 1915 GMT 6 Mar 95

[FBIS Translated Text] Kiev—The Cabinet of Ministers of Ukraine held a meeting today under the chairmanship of Deputy Prime Minister Ihor Mityukov, with the participation of Deputy Prime Ministers Serhiy Osyka and Anatoliy Dyuba on safeguarding timely settlements and preventing consumers incurring debts for natural gas.

They discussed Ukraine's $350 million gas debt to Russia for the period between January and February 1995, and the fact that only 15 percent of the debt has been paid. It was noted that for every day of arrears the debt increases by 0.5 percent. It was said that the Russian Federation was preparing documents to present to the International Court of Arbitration to declare Ukraine a bankrupt country.

Participants of the meeting criticized the president's edict of 7 February "On safeguarding the national economy and the Ukrainian population with natural gas and payments for the gas for 1995" which, in their opinion, raises "some questions."

The need to introduce gas meters for the population as quickly as possible, either free of charge or at an advantageous basis, was stressed.

It was also said that several Ukrainian oblasts had refused to introduce new tariffs for gas ($80 for 1,000 cubic meters for internal consumption) saying that it will be too heavy a burden for the population.

With the aim of economizing on gas consumption, it was proposed that enterprises should go over to a three shift system and when summer time is introduced, enterprises and establishments should start work at 0700.

Kuchma To Meet With Heads of State in Copenhagen

LD0603163395 Moscow INTERFAX in English 1426 GMT 6 Mar 95

[FBIS Transcribed Text] KIEV, Mar 6 (Interfax - Ukraine)—Ukraine's President Leonid Kuchma is to have some 20 meetings with heads of state in Copenhagen where he is going to attend an International Conference on Social Development March 10-13.

As his spokesman Dmitriy Tabachnik has told Interfax-Ukraine, he is due to meet with his Finnish and Latvian counterparts, with the prime ministers of Sweden and Norway, with the Danish Queen Margaret and with UN Secretary-General Butrus-Butrus Ghali.

The Ukrainian delegation to the forum will include Foreign Minister Hennadiy Udovenko, Deputy Prime Minister Ivan Kuras, Labour Minister Mikhail Kaskevich and Ukraine's Ambassador to Scandinavian countries Konstantin Masik.

Attending the assembly, which is described as one of the most representative summits after the UN Founding Conference, will be more than 100 heads of state and government plus delegations from 185 countries and about 2,000 non- governmental organizations.

On other presidential plans for this month, Tabachnik referred to a visit by Lithuania's President Algirdas Brazauskas to Kiev, scheduled for the end of this month.

The presidential administration, he said, had also received official confirmation from the Japanese side to receive Kuchma from 22nd to 25th of March.

Kuchma is also to go on some domestic trips this month.

National Affairs

Kuchma: Constitution Will Not Be Adopted Soon

LD0603211895 Kiev Radio Ukraine World Service in Ukrainian 1900 GMT 6 Mar 95

[FBIS Translated Text] The constitutional commission held its sitting in Kiev on 6 March. It was attended by Ukraine's President Leonid Kuchma and Chairman of the Supreme Council Oleksandr Moroz. Maya Nahornyak filed this report.

[Nahornyak] Section coordinators reported at the sitting on the results of their work on the provisions of our country's draft fundamental law. Volodymyr Butkevych, the head of the human rights and freedoms section is convinced that the rights and freedoms, as stipulated in the draft, are too subjective. However, when it comes to a democratic state, Butkevych pointed out that subjective rights and freedoms should acquire an objective nature. The current Constitution's article, which stipulates that every individual is provided with housing has been replaced in the draft by the words the state contributes to satisfying the needs for housing. Categories of people with low income are also defined here.

In the opinion of Vasyl Dotsiy, the head of the civic society and state section, it is worthwhile to incorporate a chapter in the new constitution entitled protection of the Constitution.

It was also mentioned that the section members failed to reach an agreement on the role of the prosecutor's office in the state, meanwhile, it can perform a supervisory role in society better than any other body.

There was a lively discussion at the sitting around the issue of what kind of a state we are building—presidential, parliamentary, presidential-parliamentary, or parliamentary-presidential? The section headed by Oleksandr Yemets, which is in charge of this chapter, arrived at the conclusion that Ukraine should be a presidential republic. As you see, the process of drafting the country's Constitution is rather intricate and lengthy.

I asked President Kuchma what is needed, after all, to accelerate this process to a certain extent?

[Begin Kuchma recording] Joint understanding is needed. Because everyone is pulling [word indistinct] toward himself, and that is it.

Every party, every political force believes that it is the main one and that its opinion is final and is not subject to any discussion.

We have no good prospects for the near future, because the processes, the law-making process included, will get under way, as far as I understand it, when the Supreme Council is elected according to either a party or mixed principle, and when either one party or a bloc of parties assumes responsibility for everything, as they say, that is taking place in our state.

I am convinced that we will not manage to adopt the Constitution in the near future, the more so at the Supreme Council. Our main task is to think over the procedure of adopting the Constitution, and we need it.

The main task facing me as the president is the delimitation of powers. The main thing is to delimit powers between the legislative and executive powers. [end recording]

[Nahornyak] At the end of the sitting, a working group was set up under the constitutional commission to finalize the text of the new draft constitution of Ukraine and a plan of work for March this year was specified.

Partly Foreign-Owned Information Agencies Banned

AU0703093695 Kiev MOLOD UKRAYINY in Ukrainian 3 Mar 95 p 1

[Unattributed report published under the rubric "Fact"]

[FBIS Translated Text] On the last day of winter [28 February], Ukraine's Supreme Council passed on second reading, Ukraine's law "On Information Agencies." From now on, the setting up and operating of information agencies that have more than 30 percent foreign investment in their capital funds will be forbidden in Ukraine.

Parties Urge Sevastopol's Transfer To Russia

LD0603164495 Moscow INTERFAX in English 1625 GMT 6 Mar 95

[FBIS Transcribed Text] SEVASTOPOL, Mar 6 (Interfax)—Members of regional parties and movements in Sevastopol, including the Republican and Russian Parties and the Voters' Movement, have called on the Russian leadership for an immediate transfer of the city to Russia.

In a statement in Sevastopol Monday [6 March], they said the city was founded by the people of Russia in 1783 and "will remain a Russian city and the main stronghold and pride of the Black Sea Fleet".

They also pointed to historical and legal aspects of the problem and recent opinion polls calling for immediate legislation to enshrine Russia's ownership of the city in the federal constitution.

Socialist Denies Undermining Moroz

954F1538B Kiev KIYEVSKIYE VEDOMOSTI in Russian 21 Feb 95 p 3

[Report by Sergey Rakhmanin: "Vladimir Marchenko: Moroz and I Have Sorted Things Out. I Am Not Undermining Him...."]

[FBIS Translated Text] Talk to the effect that Aleksandr Moroz's positions in the office of head of the Socialist Party are not as strong as might appear at first sight has become more frequent as of late. Vladimir Marchenko—just about the most colorful figure in parliament—is one of those being touted for leadership in the camp of the socialists. VEDOMOSTI inquired of Vladimir Romanovich how his relations with his party comrade were shaping up.

"It is a contrived problem," the deputy replied. "Moroz enjoys great authority in the party. There are no grounds for a change of leader. But there are grounds for criticism: A number of the tasks that we set have not been accomplished, through his fault included. This is agitating the party. Aware of my role and my significance in the party, I am, therefore, demanding a resolution of these problems. But it is by no means a question of

Aleksandr Aleksandrovich's authority being undermined. I had a talk with him on this subject not that long since, and we sorted things out and, I believe, came to an understanding. It makes no difference to me whether it is Moroz or someone else. If there are problems, I am duty bound to speak about them."

To the question as to whether the burden of parliamentary work was not affecting Moroz's effectiveness as party leader, Marchenko observed that he had formerly counseled his Socialist Party of Ukraine colleague against the speakership. On the one hand, in Vladimir Romanovich's opinion, it is perfectly normal that the head of one of the biggest parties is one of the top persons in the state. On the other, "both the socialist faction and the entire party have been placed in a very awkward position. Our versions of drafts are not being carried, and all the problems are being dumped on the mythical left majority. We, however (because Aleksandr Aleksandrovich occupies the post of speaker) cannot adopt a harder-line position. This situation is merely to the benefit of the right, incidentally." As far as party problems proper are concerned, Moroz is attracted to them once a quarter. The brunt of the work is borne by his three deputies, Vladimir Marchenko observed.

Parliamentary Faction Realignments Viewed

954F1578B Kiev NEZAVISIMOST in Russian 24 Feb 95 p 1

[Article by Dmitriy Dzhangirov, UNIAN, under the rubric "View from the Press Box": "In Parliament the Lull Before the Tempest... in a Teapot"]

[FBIS Translated Text] From the formal viewpoint the creation of the Independents group of deputies has completed the structuralization of the Ukrainian parliament—the extra-factional "residue" consists of only 19 deputies (of whom only nine may be considered really "nonaligned": Stepan Khmara, two members of the Congress of Ukrainian Nationalists, and three members of the Ukrainian National Assembly actually represent the right-radical group; Leonid Kravchuk, as an ex-president, Eduard Gurvits, as mayor of Odessa, and Yuriy Buzdugan, as chairman of the Commission for Social Issues, granted all the difference in weight divisions, may be regarded as self-sufficing politicians; and Ivan Popescu represents the Romanian minority).

The appreciable change in the numbers of many factions compared with May 1994 is giving rise to talk about a coming "redistribution" of the commissions in accordance with the new quotas. And the Independents, too late for the "shareout of the pie," are expecting, aside from the places due them in the Presidium of the Supreme Council, one commission at a minimum—Law and Order, for example.

Having elected as its chairman Sergey Sobolev (Zaporozhye, Democratic Revival of Ukraine Party) and, as his deputies, Yuriy Orobets (Kiev, Ukrainian Republican Party) and Ivan Bilas (Lvov, nonparty), the Reforms faction has, in fact, conclusively switched to the camp of the national democratic forces. And now the right flank of the Supreme Council is composed of 99 deputies (Reforms, Rukh, Derzhavnist, and the national radicals).

On the left flank hard times are being experienced by the socialist faction, which has lost, aside from Aleksey Berezhniy, Vladimir Marchenko—quite an outstanding leader—also. The socialist faction has dropped to the minimum permissible strength—25 members—and under the conditions of the communists' growing dissatisfaction with the "unprincipled" position of Oleksandr Moroz the socialists find themselves beneath the Damocles' sword of disbandment of the faction. All this should, evidently, be prompting the members of the Socialist Party of Ukraine toward a resumption of the close "left" Communist Party of Ukraine-Socialist Party of Ukraine bloc, which numbers 116 deputies and could oppose presidential policy quite effectively.

The unifying idea of the creation of a bloc based on the MDG [Interregional Group of Deputies], Unity, and Independents factions on the strength of the idea of a "pro-president faction" is also in the air at this time in the political center. Such a bloc would be highly logical and quite numerous—90 deputies. The sole obstacle to its formation might be the personal ambitions of the leaders of the center factions.

It has to be noted also that the creation of the Independents faction has, in fact, buried the idea of the creation of a noncommunist majority of factions to the right of the Agrarians: It is hard to imagine Ruslan Bodelan and Valentin Simonenko in an alliance with supporters of the building of an oil terminal.

It may most probably be assumed that each fundamental decision of the Supreme Council will now be reached with even more difficulty than before. This means that, on account of the exacerbation of the parliamentary struggle, the influence of the Supreme Council on events in Ukraine will inevitably diminish. Whether the people of Ukraine will benefit from this, it is hard to say, but President Kuchma will not, most likely, be the loser.

Shcherban Political, Economic Views Outlined

954F1579A Kiev NEZAVISIMOST in Russian 24 Feb 95 p 4

[Interview with Donetsk Oblast Council Chairman Vladimir Shcherban by NEZAVISIMOST Deputy Editor in Chief Ye. Savchenko; place and date not given: "Vladimir Shcherban: '...Ukraine's Revival Will Begin in Donbass'"]

[FBIS Translated Text] *Vladimir Petrovich Shcherban is chairman of the Donetsk Oblast Council, a people's deputy, a member of the presidium of the Ukrainian Supreme Council, and chairman of the parliament's permanent budget commission; 45 years old; no party affiliation. Born in a peasant family in Artemovsk in the*

Lugansk area. Graduated from high school in Peski village, Donetsk Oblast; served in the military, and then graduated as an economist from the Donetsk Commerce (former Trade) Institute. After graduation sent to work in the Chernigov area, then returned to Donetsk and worked in trade organizations, becoming director of the largest supermarket—"Ukraine." Elected several times a Donetsk City Soviet deputy, and later worked as deputy chairman of the city executive committee. In July 1994 elected chairman of the oblast council by 60 percent of the vote.

The Donetsk region governor sees his main task as revival of the Donbass on the basis of fundamental market reform.

V. Shcherban's home life is the same as any ordinary person's: He lives in a standard apartment building, owns an ordinary Zhiguli car, and together with his wife raises his son (who is already 24). Does not have a personal account in a foreign bank.

[Savchenko] Common wisdom is that the best governor of Donetsk was Vladimir Ivanovich Degtyarev, about 20-25 years ago; people remember him. Now, however, Donetsk residents, absolutely different people—ordinary passers-by and officials at all levels—frequently compare Vladimir Petrovich Shcherban's style with that of V.I. Degtyarev. A second Degtyarev has finally come, people say. How does Shcherban himself feel about such an appraisal?

[Shcherban] Historical parallels are not the best way of appraising a leader's business qualities. There is a temptation to lapse into self-admiration. Besides, Degtyarev—this was a different era, different leadership methods, different tasks. Therefore, when comparing us, I think you should not draw such categorical conclusions. I am not Degtyarev—I am Shcherban, who is striving to do everything in his power to make the life of the people in our region better than it is now.

[Savchenko] Mr. Shcherban! Honestly, without diplomacy—why do you need this governorship? What was it that was missing in your life: money; power; unsatisfied vanity; the realization of some patriotic designs; a new type of risk? Why did you need to jump into this, let alone fight for governorship?

[Shcherban] Not everything in our life is measured by money and rank. There is much more satisfaction in knowing that you have done something truly good for others.

I live among people, and I am not indifferent to the fate of this blessed land—Donbass. Its natural riches, climate, and most importantly, the people—intelligent, hardworking—deserve a better lot. And I wanted to apply my knowledge and experience in order to finally nudge onward the economic reforms, which over the past several years have been reduced to empty talk. Behind the verbal flak of garrulous politicians' promises there was no rational seed that would produce beneficial shoots. The team that came together with me has its own vision of how to lead the economy from the deep crisis into which, in my opinion, pseudo-reformers have plunged the economy by their procrastination.

[Savchenko] Vladimir Petrovich, by the complexity of its social problems, their mutually exclusive components, its big and small challenges, so to say, is Donbass today not the most complex and perhaps unpromising region in Ukraine? Do you feel this? And if so, do you believe in some concrete time frame and way out of this crisis? Tell me honestly.

[Shcherban] Craftiness and hiding things are not in my character. Some may not like it, but I prefer an open game. I do not agree with your appraisal. Donbass may be the most promising region in Ukraine. It has a concentration of industrial and science assets, which need to be rationally utilized. There are a great many problems. But if you remember recent history, it was in our region that many things were initiated and implemented which were later widely emulated all over the former Union. I believe that this is precisely where the revival of the Ukrainian economy will begin. Otherwise I would not have taken upon myself the endeavor I and my team have embarked on.

[Savchenko] In the past, Donbass extolled the heroism of Stakhanovites, record-setting sinkers and coal-miners, the famous "Donetsk percentage;" but what about now? What makes the Donetsk people strong and attractive in the period of, as they say, a transition economy?

[Shcherban] Probably what allows us all to survive and keep our spirits up in this difficult time—optimism, and belief in the inevitability of change for the better,

In my observation, these are qualities that permit all the people of Donetsk to bear with fortitude the unfortunate experiments conducted in the economy by politicians who are either not familiar with or ignore economic laws. And these laws are the same for prosperous America and underdeveloped Africa. The important point is that the new national leadership understands this and is already taking steps down the path of reforms. I hope that our people will have enough optimism and patience to get through this most painful but necessary stage on the road to a normal market economy oriented toward the interests of the people.

[Savchenko] I remember in the Khrushchev times the main banner on Donetsk's central square was: "Soviet Power Is Electrification Plus Chemization of the Whole Country;" then it was replaced by "Donbass Works for Communism," "The Donbass Percentage," and so on. Now there is no banner; "socialist Donbass," which put forward its best effort in working for communism, is in ruins. On what then, on what foundation is "capitalist Donbass" rising and already being built?

[Shcherban] In my opinion, the time of "-isms" is inevitably fading into the past. Who can answer this question: What has been built in Sweden and Denmark? Capitalism or socialism? Neither. The classic attributes of social formation are being gradually erased in developed societies. They have built a society in which a person has all the conditions for self-actualization and a decent life.

Apparently, this is the main road of European civilization, on which we also are trying to embark. In classic capitalism, owners are a small group of people, while in the aforementioned Denmark 90 percent of the output already is being produced at enterprises of the cooperative form of ownership...

I think that both Donbass and Ukraine can work their way up to economic prosperity only through the hard work of every citizen for himself. Then everybody will reach prosperity. A man can only be free when he starts feeling like the owner of the fruits of his labor.

[Savchenko] Regional policy is sometimes so tricky and unpleasant for the center that it is hard to speak of harmony and effectiveness at any level of authority. In the opinion of the oblast council chairman, on what principles should relations between Kiev and Donetsk be build (or are being built)?

[Shcherban] We should not reinvent the wheel. The problems we are struggling with already have solutions in world practice. And judging by the standard of living there, produce quite decent results. To briefly formulate these principles, I would put it this way: mutual respect, and economic independence of the regions while delegating to the center certain powers in carrying out common state functions. We need very much to clearly and specifically delineate the powers of the center and the regions, and most importantly, establish their responsibility for decisions made and the state of affairs. Then probably we will see if not harmony, at least order in managing the processes of socioeconomic life of the state.

[Savchenko] I am sure you have both friends and enemies. Who are they?

[Shcherban] Of course I have friends—how can one live without friends? But I also have enemies—it would be strange if I did not. This is inevitable when we are in the process of reform, which affects the interests of both individuals and whole social groups who are quite happy with the current situation. There are more than enough people who love fishing in muddy waters, while reforms are a straight road to order and clarity. It is logical to assume that some do not like this policy. But I believe that we have embarked on the right road.

[Savchenko] Are you a believer? And if you are a party member, which party?

[Shcherban] I am not a member of any political party registered in Ukraine. My election platform clearly said: constructive work with all parties and public entities that truly support economic reforms rather than simply paying lip service to it.

As to the first part of the question, perhaps it will sound banal, but I think that God is the beginning of all beginnings; it is a system of moral values that must be present in every person. I do not go to church, but this does not keep me from following in my everyday life the commandments that are normal in civilized societies.

[Savchenko] Does your family help you, or at least understand the strain of this job?

[Shcherban] My family is understanding when it comes to my work. My wife Irina is trying to support me in every way possible, creating conditions for normal rest after a day in the office. In my situation, solid rear support is very important, and she successfully provides it.

[Savchenko] What does your normal day look like? Do you have time left for leisure, hobbies, self-education?

[Shcherban] I work 12- to 15-hour days, without days off. Sometimes I get the feeling that 24 hours in a day is not enough. We live in a difficult, but very interesting, watershed time. There is a lot to do, and therefore work is everything to me—including leisure.

[Savchenko] Do you like Kuchma and his ideas, or?...

[Shcherban] I like the energy with which President L. Kuchma plunged into his work. He has inherited a difficult political and socioeconomic legacy, which the people of Ukraine were honestly told from the Ukrainian Supreme Council rostrum. But I am sure he did it not with the aim of blaming the previous leadership, as used to be the case in old times, but in order to show the people and deputies the true state of affairs, to convince us that there is no way back, to the era of cheap sausage and vodka. If we want to climb out of the bog we have ended up in, we need to move decisively along the road of radical economic reform without looking back.

The program of reform proposed by the president in all its main points is the same as my vision of the future. I can argue with some things, but mainly these are the measures that should help Ukraine get on the path of civilized development.

[Savchenko] Is the new year beginning the way you anticipated?

[Shcherban] In principle, there were no particular surprises. What is happening today, we foresaw last year, when we were taking the first steps in reforming the oblast economy.

We are keeping the situation under control. So far events are developing in line with the forecasts specialists made on the basis of the program of reforms we drafted in the oblast. If we manage to maintain all its parameters, we can predict further possible consequences with confidence.

[Savchenko] You are of course a Donbass patriot. How do you see Donbass in a year, five, 10?

[Shcherban] I am not a prophet or a clairvoyant. It is difficult for me to make forecasts. Especially these days, when the oblast industry is not living through the best of times: production decline, and hidden and official unemployment. But the preconditions for what is happening to us now were formed over the previous decades of development of Donbass as a powerful base of heavy industry. Little thought was given to the people, their needs. The priorities were coal, coke, and metal. Now we are trying to correct this past bias. Yes, times are very hard now, but not hopeless. Nevertheless, already in the near future I see Donbass as a region with a developed industry but oriented toward the needs of the people, and without the monster industry poisoning our ecology.

[Savchenko] Would Donetsk Oblast be better off had it been part of Russia instead of Ukraine?

[Shcherban] There are no "what if's" in history. "We have what we have." And we have to work from this reality instead of engaging in guesses. Donbass is an inalienable part of Ukraine. We have to think how to make life better here. Besides, I can remind lovers of digressions into history that it was the USSR minister of coal industry who in the more prosperous 1970's wrote off Donbass as a dying coal basin and began to intensively develop the coal industry behind the Urals. I do not think that Moscow could find the money right now to make serious infusions into our industry. Not at all. So let us do everything we can to correct the situation in Ukraine on our own.

[Savchenko] When was your life better (or more interesting)—a year ago, now, or perhaps tomorrow, in the year 2000?

[Shcherban] Each time is interesting in its own way. Looking back, we can find successes and failures, moments of joy and sadness. Still, although life today is immeasurably harder, it is, in my opinion, acquiring a new rhythm, opening up new opportunities. Some have been able to fit into this rhythm right away; some have not managed to do so; but not everything has been lost yet...

Of course, it is tempting to take a look at the future—the year 2000, but what we have now is TODAY. For now.

[Savchenko] Your relations with the press—does it help you in your work, stand in the way, or is it simply a given? If you do not want to answer, then please answer any question you would have asked yourself.

[Shcherban] Why not—I will answer. I believe I have normal relations with the press, as any practical politician should have anyway. The pike is in the lake to keep the carp from getting careless. I cannot say that critical attacks make me happy, but sometimes they make me notice my own oversights and miscalculations. This to a certain extent mobilizes me, helps me to approach a particular decision more carefully. In short, lofty as it may sound, I see the "fourth estate" as my confederate in the cause of implementing reforms.

[Savchenko] You are a rather young politician; do you believe that you have reached the pinnacle of your career, or would you like, for instance, at some time to run for president of Ukraine? In short, do you have ambitions?

[Shcherban] I will answer this question with a phrase that has become a cliche of sorts in artistic circles: The best role is the one you have not yet played. Is this not so?...

Heated Debate Over Tsekov Resignation

954F1648A Simferopol KRYMSKAYA PRAVDA in Russian 3 Mar 95 p 1

[Report by T. Ryabchikova: "Will the Speaker Resign? Session of the Supreme Council of Crimea"]

[FBIS Translated Text] Exhausting arguments are taking place for the second day in the Supreme Council of Crimea concerning the resignation of the chairman of the Supreme Council.

Following the lunch break on Wednesday, when both deputy chairmen and all the chairmen of the standing commissions were relieved of their positions ahead of time, attention turned, as previously arranged, to consideration of the question of confidence in the chairman of the Supreme Council, who also is a member of the Presidium.

And disagreements arose immediately. Large numbers of deputies moved that the guide in consideration of this matter be the Constitution, as the Basic Law, according to which the head of parliament is elected and dismissed by a simple majority vote of the deputies. The members of parliament who are in the minority insisted that the chairman of the Supreme Council be dismissed by a constitutional majority (a two-thirds vote of the deputies), as required by the law of the Crimean Autonomous Soviet Socialist Republic on the organs of state power adopted before the Constitution. They were not embarrassed in the least here by the fact that this law, which conflicts with the Constitution, is, according to the Basic Law, deemed to have lapsed.

The endless breaks called by the chairman of the Supreme Council for meetings with the faction leaders produced nothing: A joint conciliatory version of an escape from the impasse failed to muster the anticipated number of votes.

On Thursday morning the chairman of the Supreme Council declared that inasmuch as only 48 deputies had registered at the registration desks, he could not open a plenary meeting.

Yu.V. Podkopayev, who delivered a statement on behalf of the Russia and Russia-Unity factions, announced that they intended to refuse to register, presenting the following demands: for the presentation of the question of formation of the Presidium and a start on the negotiating process.

Deputy V.N. Klychnikov moved on behalf of the other five factions that a decree on the resignation of the chairman of the Supreme Council be put to the vote.

After this, S.P. Tsekov spoke. He said that, having evaluated the situation, he had concluded that he no longer had the right to agree to a compromise, which, according to him, he had done constantly. He could only resign when two-thirds of the deputies voted for this solution. Criminal structures are aspiring to power. And he walked out of the meeting hall.

At these last words, the hall literally erupted. "No one needs such maneuvers," Deputy A.V. Loyevskiy declared. "He did this specially so that the deputies would disperse. Then parliament would be paralyzed conclusively." He proposed that they stay where they were and continue the meeting under the chairmanship of parliament's elder statesman.

When, at the request of the members of parliament, elder statesman A.G. Kruglov, deputy of the Supreme Council, took the place of the chairman, it was ascertained that 51 deputies had registered at the registration desks and that there was a quorum for a plenary meeting. And it commenced.

Literally 10 minutes later, S.P. Tsekov returned to the hall, explaining his absence by the fact that now that there was a quorum, he could discharge his obligations.

It was decided to hold a closed meeting, at which all grievances and complaints would be honestly aired and a mutually acceptable solution found. The stormy debate continued until the lunch break. What will be adopted ultimately is as yet unclear. About this in the next issue.

Deputies Approve Tsekov Resignation

954F1648B Simferopol KRYMSKIYE IZVESTIYA in Russian 3 Mar 95 p 1

["Our Own information": "S.P. Tsekov's Petition"]

[FBIS Translated Text] After long discussion, at the evening meeting of the session of the Supreme Council of Crimea, the deputies deemed the law "On the Organs of State Power of the Crimean Autonomous Soviet Socialist Republic" of 10 September 1991 to have lapsed and adopted the decree "On the Mechanism of the Early Release From Office of the Chairman of the Supreme Council of Crimea."

According to a clause of the decree, the chairman of the Supreme Council of Crimea may be relieved of office early in accordance with his petition in writing.

By a majority of votes (66 for, 8 against, no abstentions, 1 not voting) the corps of deputies satisfied S.P. Tsekov's petition for his early release from the office of chairman of the Supreme Council of Crimea, his authority being relinquished as of the moment a new chairman of the Supreme Council of Crimea is elected.

The session of the Supreme Council of Crimea continued.

*Crimea Politicians Seen Making Common Cause with Zhirinovskiy

954F1537A Kiev KIYEVSKIYE VEDOMOSTI in Russian 17 Feb 95 p 3

[Article by Tatyana Korobova, KIYEVSKIYE VEDOMOSTI correspondent in Simferopol: "Yeltsin or Zhirinovskiy? Apparently People Have Decided in Crimea"]

[FBIS Translated Text] According to sources close to the leadership of Crimea's Supreme Soviet, a kind of agreement has been struck between the State Duma's LDPR [Liberal-Democratic Party of Russia] faction and the Crimean Supreme Soviet, one which Crimean deputies and Crimean voters have no inkling of. In the source-supplied draft version of the document, titled "On Interparliamentary Relations Between the Crimean Supreme Soviet and the State Duma of the RF Federal Assembly," the Crimean Supreme Soviet is represented by Mr Aleksey Alekseyevich Melnikov, the deputy chairman of the Supreme Soviet, and the State Duma's LDPR faction is represented by its chairman, Mr Vladimir Volfovich Zhirinovskiy. "The parties shall combine their efforts to work out and implement joint political programs to facilitate the rapprochement of Crimea and Russia and stabilize and improve the political situation in Crimea."

Of course, this looks somewhat more attractive than the promises which the son of a Russian mother and jurist father made, namely that booted Russian feet would dangle in the Indian Ocean. But what are the objects of special attention in our case? Questions relating to the consequences of the deportation of the peoples of the former USSR (a somewhat expanded formulation); social protection for servicemen of the Black Sea Fleet and members of their families, and pensioners of the USSR Defense Ministry, also pensioners discharged from the ranks of Russia's Armed Forces (the social base for a "strong hand"?); rules and procedures of mutual settlements for the Red Banner Black Sea Fleet's use of the infrastructure of Sevastopol and Crimea and troop units of Russia's Armed Forces providing support for the Black Sea Fleet. Also being explored is a Black Sea Fleet representation in the State Duma. In the future, the Black Sea Fleet is to have its own deputies in the State Duma for the Second Convocation (in elections to the State Duma, the Black Sea electorate unanimously preferred Zhirinovskiy).

The following point is especially interesting: "The parties agree that the terms of this agreement shall be strictly confidential and that (only if the law requires it) neither side shall give information regarding the actual terms of the implementation of this agreement to the public, the press, their employees, or other representatives, except in cases where the form and conditions of its transmittal are agreed upon by the parties."

The parties are also to exchange representatives (deputies or their assistants) and set up representative offices in the other party's home place.

Whether the parties have signed the document is unknown, but confirmation that all this is not just a canard is seen in the fact that the Crimean Supreme Soviet was visited by someone named Barsukov, a representative of Vladimir Volfovich. Also memorable is a report about lengthy talks between Speaker Tsekov and the LDPR's leader during the Crimean delegation's autumn visit to Russia's State Duma, after which the LDPR faction initiated a discussion of the question of the status of Sevastopol and Crimea. And, finally, new meaning attaches to Crimean Speaker Sergey Tsekov's private statement that "We will cooperate with any Russia."

Considering the political level of the Crimean Parliament's elite, this foresightedness on the eve of presidential elections in Russia is simply astonishing. It is also obvious that Crimea is a fifth column not only for Ukraine but also for democratic Russia (if it has been permissible up to now to identify it with the present leadership). Considering Crimea's struggle for second citizenship (in the agreement this issue is also of "particular concern" to the parties), Mr Zhirinovskiy is doing simply remarkable work to prepare for the presidential campaign by making a separate deal with the "disputed territory." Add to this the fact that even under Russia's present "statehood" leadership, it turns out that Ukraine has no borders ("Who ever defined them, when and how?"—I first heard this thesis from Black Sea Fleet Commander Baltin), and—oh my goodness!—consider the scope Vladimir Volfovich has to announce to the Russian people his own national-state sequence.

So much for tomorrow. Today, official Kiev is awaiting the Russian President's official visit to sign a multi-point Ukrainian-Russian treaty. Warm greetings to Boris Nikolayevich from Crimea!

Crimea Parliament Crisis Analyzed

954F1578B Kiev NEZAVISIMOST in Russian 22 Feb 95 p 1

[Sevil Kurshutova report: "The Parliamentary Crisis—Incurable Illness?"]

[FBIS Translated Text] On 15 February the Crimean corps of deputies expressed no confidence in nine out of the 14 members of the Presidium, including two deputy speakers—Aleksey Melnikov and Viktor Mezhak. The remaining five members of the Presidium, who managed to hold on to their positions thanks to a very conditional victory with a preponderance of just a few votes, have come to be in an unenviable position also. The question of the election of new representatives to parliament's steering body remains open, as before, for Sergey Tsekov and the opposition were unable to reach agreement on the main point—the principles of formation of the Presidium.

Three factions—Republic, Reform, and Kurultay—and the Crimea group of deputies, having supported the remaining five members of the Presidium, are proposing that everything begin "with a clean slate." In the opposition's opinion, professionalism and factional membership are the two criteria that should be made the basis of the formation of parliament's steering body. Refat Chubarov, leader of the Kurultay faction, believes that reflection in the Presidium of the apportionment of parliament's political forces is not the main but an obligatory condition.

The version proposed by the opposition came up against the strict rejection of Sergey Tsekov, who relies on the Russia-Unity faction. Considering the question of rotation closed, the speaker of parliament is prepared to speak only about supplementary elections to the leadership of the Supreme Council depending on the situation and on how agreement is reached. The vulnerability of the position of the head of parliament is obvious. In the opinion of Nadir Bekirov, member of the Supreme Council of Crimea, "any change in the situation will bring about another crisis and the desire of those that remain dissatisfied to break the specific Presidium."

The unconstructive position of the speaker is explained, by all accounts, by simple arithmetic. Of the remaining five members of the Presidium today, four are representatives of the Russia faction. Preservation of the status quo in this situation excludes realization of the principle of equal factional representation since the nine places in the Presidium that remain vacant have to be shared among themselves by, at a minimum, four factions—Russia-Unity, Reform, Republic, and Kurultay—and the Crimea group of deputies. The speaker of parliament thus obtains a majority, albeit negligible, one that is so essential to him, in the leadership of the Supreme Council.

Sergey Tsekov's aspiration to consolidate his position is perfectly explicable. As we all know, the name of the speaker of parliament was not entered on the ballot paper on the question of no confidence in the Presidium. This fact aggravated the already complex position of the head of the Crimean parliament. Calls are being heard in the Supreme Council of Crimea increasingly often today for an expression of no confidence in the speaker himself. Sergey Tsekov does not conceal his misgivings that, after the dismissal of the Presidium, the question of his chairmanship could be raised also. Nonetheless, he has no intention of relinquishing his authority voluntarily, primarily because he does not see a worthy successor.

The attempts of the Russia and Russia-Unity factions to split the ranks of the opposition are perfectly explicable in this connection. On 16 February Aleksey Melnikov proposed the preparation of a decree on early elections to the Supreme Council of Crimea. "We have a president and a government that could cope with the situation in the republic in two months," he declared. Another deputy, Aleksandr Morozov, proposed that the decree be supplemented with a clause on the cancellation of the moratorium on a referendum. But the majority of observers do not take such statements seriously and regard them as a kind of maneuver. Everyone remembers all too well that as recently as two weeks ago only 16 deputies voted for parliament's dissolution.

Unfortunately, the desire of Sergey Tsekov and his supporters "to hold on at all costs" still prevails over common sense. The deputies are preferring to accuse the Kurultay faction of having inspired the parliamentary crisis and the Republic faction, which it is hard to suspect of affections for Ukraine, of operating to the directives of Kiev, virtually, and to say that the sole bastion of Crimean statehood—the Supreme Council—is being pulled apart from within. These members of parliament are engaged today not in a search for compromise but in an active collection of signatures for the dissolution of parliament and the cancellation of the moratorium on a referendum.

Crimean Deputies Fail To Elect New Parliament Speaker

LD0603185395 Kiev UNIAN in Ukrainian 1710 GMT 6 Mar 95

[FBIS Translated Text] Simferopol—Today, the second round of voting to elect the speaker of the Crimean Supreme Council did not end with the election of a speaker.

The results of the secret ballot to elect a Crimean Supreme Council speaker were announced at 1600 local time. Forty-five people voted for Serhiy Tsekov, 23 for Mykhaylo Shumakov, 21 for Oleksandr Korotko, and four for Vitaliy Verchenko.

Serhiy Tsekov, the former speaker of the Crimean Supreme Council, and Mykhaylo Shumakov, the director of the "Nizhnyehirsiyy" state farm went through to the second round.

Serhiy Tsekov received 49 votes and 45 against. Mykhaylo Shumakov received 24 votes for and 70 against.

Deputies approved a decision to hold consultations in deputies' groups and groupings to decide on the course of further action.

Commentary on Grinev Crimea Assessments

954K0502A Simferopol KRYMSKIYE IZVESTIYA in Russian 2 Mar 95 p 1

[Article by L. Chevelcha: "Solo for Two Voices?! With Commentary"]

[FBIS Translated Text] **Following the meeting of Vladimir Grinev, adviser to the president of Ukraine for regional policy, with the top persons of the legislature and the executive of Crimea, a somewhat improvised news conference was held. A whole number of "burning" questions were put to the guest from Kiev by A. Spakhov, adviser to the president of Crimea for information and analysis and the press. Journalists are frequently divided into those who endeavor to obtain valuable information or to learn the opinion of a person in the know and those who are interested in answers that are required and "right" at a given moment and for a given situation. Both are right in their own way. Each hears the beating of his own drum, as they say.**

The attacking party on this occasion was Yu. Meshkov's "presidential host." And the main issue was the need for the creation of a strict vertical line of government, a vertical line of state power.

We deemed it necessary to provide our own commentary on this dialogue-interview of the two advisers.

V. Grinev was one of the drafters of the law "On Power" in Ukraine. Speaking of the strict collateral subordination of the executive, he emphasized the significance of such a vertical line at this stage—that of reform of the economy. He is convinced also that even having shared authority between Crimea and Ukraine, it is essential to preserve the line of government descending from the president of Ukraine to Crimea.

Not satisfied with this answer, the adviser of the Crimean president inquired: Via whom should the executive authority here, in the republic, run?

But understanding with "difficulty," evidently, the kind of answer toward which his interviewer was orienting him, V. Grinev deemed it necessary to explain that the representative of the president of Ukraine should work concertedly in the region with the power structures that have been determined here. At this time, the guest from Kiev emphasized, this means the government. Close contact between the Government of Crimea and the corresponding branches of the executive of Ukraine would help avoid economic failures.

The "play" of questions gradually heated up, the answers remained, all the same, at the "cold" mark. The questioner had no alternative but to launch a "frontal" assault: "What place do you assign the president of Crimea?"

Indeed, after Yu. Meshkov had at his last news conference during the signing of the Social Accord Treaty once again declared for all to hear that he was prepared to support all initiatives of the president of Ukraine, his role—in, at least, the eyes of L. Kuchma's regional adviser—should have grown markedly. But the political theater is nonetheless a special one. Nor had the previous performance—of political hero on the Russian stage—come off for the president of Crimea somehow. And the scenario of the well-known events involving the antagonism of the different branches of power became parody plagiarism. And unsuccessful debutants in solo parts rarely receive, as a rule, invitations to partnerships in duets. The adviser of one president was forced to explain to the adviser of the other that—as he had candidly told the president of Crimea—he did not understand what place Yu. Meshkov occupied on the political palette of Crimea and in specific matters, particularly after the latter had ceased to head the executive in Crimea and had retreated to the background of political life.

It is offensive, certainly, when a politician of a significant level fails to acknowledge a statesman's place.

"Yu. Meshkov is the head of the executive," the interviewer suggests.

"But the executive authority should have one vertical line," V. Grinev expresses astonishment. "And the head of this authority should have a direct mechanism of execution. Being the head and not having this mechanism is a futile occupation."

Here the improvised news conference begins to switch to a kind of discussion-altercation of the two advisers. The Kievan is told about the appeal of the president of Crimea to the legislature, more precisely, to the Russia bloc, for the joint fulfillment of a single common program (it is unclear now, it is true, which program is the common one: the bloc's pro-Russia program or the president's pro- Ukraine program). V. Grinev is informed importunately almost about the great step of the president of Russia of Crimea—the signing of the General Accord Treaty—also.

It is a pity, of course, that there was no mention here of the pomp with which the membership of the Social Accord Committee of certain figures of significance in the political life of Crimea and even factions of the Supreme Council was announced and that this was, as it transpired, the wish, but by no means the reality. Nor was there any mention of the warning, which came in earnest from the leaders of the committee, that those that did not heed the appeal would remain in the minority. And things are usually none too sweet for the minority. What we have here is, truly: "If you want to live in harmony—concur!" There were at the time of this signing also other odd incidents, which caused perplexity and, consequently, doubt as to the efficacy of such a committee as a "mechanism of the executive."

Nor was V. Grinev, for that matter, it seems, deceived as to the significance of this presidential move, commenting on it unequivocally:

"An element of common accord is always in any region to the good. And if there is a clear-cut action program, particularly in the sphere of the economy, this is to the good of the political situation also. What is of concern is merely the fact that these programs be not simply programs. When a document on political accord is signed, I like to see which forces have signed the document. Which parties and movements. Which social formations. How representative is this document? How substantive and effective is it? The mere fact of this agreement is positive, but its filling could prove empty."

V. Grinev also met with the chairman of the Supreme Council of Crimea and is aware of the crisis in the parliamentary leadership. As a supporter of Crimea's autonomy, he emphasized that a distinct power vacuum cannot be permitted. A vacuum is always filled. Doubting, however, that the Supreme Council could successfully replace the presidential structure, he once again mentioned the positive impression made on him by the Government of Crimea. He observed that the government also is concerned at the situation that has taken shape, particularly at the danger of certain relapses at the elections to the local councils.

Truly, lacking both a presidential and a parliamentary executive vertical line of power, the destruction, in addition, of the threads that remain between the republic government body and the local authorities is tantamount to a leap into the abyss.

Speaking of the fact that the Government of Crimea has an understanding of the economic tasks confronting the republic, L. Kuchma's adviser sees it, the government, as the most realistic personification of the urgent reforms.

But such a situation clearly is not to the liking of the supporters of the president. Clearly seeing as the problem the crisis of the legislature of Crimea, they are trying to close their eyes to the fact that the presidential structure itself is an appreciable part of this problem and, in addition, some concealed charge that had been laid earlier. The attempts, however, to take advantage of the crisis to their own ends will do nothing constructive either for the economy or for the policy of Crimea.

The conflict, which did not arise yesterday, has prevented the formulation of a particular effective program of the development of Crimea. The only thing that we have essentially is the reform path proposed by L. Kuchma. But that same conflict and the crisis of the legislature are preventing the formulation of a precise mechanism of realization of this program here, and so, consequently, we are getting a crisis of the executive also. And all this on the eve of elections to the local councils and against the background of the struggle of various political and, what is more frightening, not only political forces and parties, which is patently beginning to intensify. And a power vacuum has a tendency to be filled....

It is said that the president and the Russia bloc are prepared to unite. But will they accept the program of the Ukrainian president or will they make a 180-degree turn? And what then?

It is said also that the president's advisers are "advising" parliament to vacate it. And the president's "fifth column" in the corps of deputies is not averse to giving up this seat with just about all the realia....

It is said that there is one further force that is realistically laying claim to a particular role in the leadership of Crimea and that this is the government.

But the government, as the interview anchor once again suggested unobtrusively almost, is an "accountable body"....

We would add: accountable thus far. Accountable to the Supreme Council. Even today the president is laying claim to the place of "the one rendering account." Nor, for that matter, is he laying claim only to this, it would seem.

"For the speediest stabilization of the social and political situation, the successful progress of economic reforms, and the creation of the conditions for elections to the local authorities it is essential, in the opinion of the president of Crimea, to consider the question of the creation of the institution of representatives of the president of the Republic of Crimea locally," the presidential press service has declared. To put this opinion into practice on the eve of the elections is, in fact, by and large, to "take full power."

Nor, it is true, is this scenario original. Plagiarism once again. Now in the footsteps not of the Russian but of the Ukrainian head of the executive.

The political situation in Crimea is beginning to heat up. Having met with the local leaders and representatives of the highest echelons of power, it is with good reason that V. Grinev concludes that it would be desirable in this situation to postpone the coming elections for some time. If, however, the elections are held, it is very important to abide by the prudent logic that prohibits purely extremist or populist slogans getting incompetent people elected to the seats of power.

W. Churchill believed that the difference between a statesman and a politician was that the latter is oriented toward the next elections, a statesman, toward the next generation.

Toward what are our politicians oriented? We have thus far believed that it has been toward the independence of the republic and the statehood of Crimea and have called them statesmen. I fear that now even the name of politicians could for the majority of them be a thing of the past.

So aside from a clear-cut program and a mechanism of execution, a strict vertical line of the executive is essential also for the restoration of Crimea. Its installation may be achieved, however, only by way of the "placement" of professionals in the local authorities, one's "own," not incidental, people, what is more. It is for this reason that the coming elections, whose result could essentially be decisive for both the economic and the political status of Crimea, are so important.

Having become preoccupied with fratricidal strife, the Supreme Council is involuntarily absenting itself from all developments. The president, although endeavoring at this time to install a vertical line of government, has no real power or levers and he has to a considerable extent, what is more, compromised and undermined his own institution of power.

In this situation those who are already, in fact, an integral part of the "power" vertical—the governors general of the president of Ukraine and... the "accountable body"—are inevitably becoming the active characters.

So two branches of the executive—the president and the government—are today moving into the arena of struggle for influence. The legislature is inevitably moving into the background. This is when its own path of development or its own path toward impasse is truly beginning for Crimea.

There has already been a concealed "tug-of-war." In principle any election struggle is a natural business. But for it to take place in the highest echelons of the executive?... In this case it is not the voice from below—the electorate—but the voice from Kiev that could be the "arbitrator," that is, the party that has the final say: A conflict of "upper strata" is usually extinguished "from above."

Whether this will be a determined decision or gentle tactics, we will know soon.

From the editors: As this material was being prepared for publication, we learned of the statement made by the Council of the Interregional Reform Bloc Party on the situation in Crimea. Having obtained the text of this document, we offer it for your attention.

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Interregional Bloc Statement on Crimea

954K0502B Simferopol KRYMSKIYE IZVESTIYA in Russian 2 Mar 95 p 1

["Statement of the Council of the Interregional Reform Bloc Party on the Economic and Political Situation in Crimea"]

[FBIS Translated Text] A delegation of the MBK [Interregional Reform Bloc] Party was in Crimea in the period 18 February 1995 through 22 February 1995 to study the economic and political situation in the Autonomous Republic of Crimea and the city of Sevastopol.

The delegation visited the cities of Simferopol, Sevastopol, Kerch, Yalta, and Krasnoperekopsk and Kirovskiy Rayon. It familiarized itself with the state of affairs in industry, agriculture, and the resort and fitness complex and studied the position of servicemen in subunits of the Ministry of Defense of Ukraine who have been discharged and who are preparing to be discharged into the reserve in connection with the reorganization in the army and navy of Ukraine.

The delegation met with the leaders of industrial and agricultural enterprises and the seaports, representatives of the councils, three labor unions, and national-cultural societies and movements, and the leaders of the majority of parties of Crimea. It took part in the congress of the Crimean Union in Support of the Republic of Crimea Party (SPRK). Party representatives met with the chairman of the Supreme Council and the prime minister and president of the Autonomous Republic of Crimea.

Having studied the situation, the MPR Party Council declares that:

1. The economic crisis in Crimea has reached a point beyond which irreversible processes of the total degradation of a number of profitable branches of industry, agriculture, and the resort and fitness complex of Crimea could ensue.

2. The political crisis within the Supreme Council of Crimea has in fact rendered Crimea's highest representative body incapable.

3. With his current powers the president of Crimea is not in a position to positively influence the political situation in Crimea.

4. As of this time the Government of Crimea and the current local government authorities headed by experienced career employees are the sole stable structure of government in Crimea.

Elections of local government leaders and authorities in the absence in Crimea of a law on local government are within the scheduled timeframe problematical under the conditions of the political and economic crisis.

At the same time, on the other hand, the postponement of these elections is unlikely. And the MBR will participate in them in a bloc with Crimea's center parties.

An interparty agreement has been concluded with the Crimean SPRK party.

The MBR Party considers essential the elaboration and implementation in Ukraine of an official policy on:

matters of particular significance for Crimea;

the socioeconomic development of the regions, Crimea included;

problems of the servicemen discharged into the reserve and their families;

the preservation of profitable works;

the support and development of the cultural and fitness industry.

The MBR supports the center political forces of Crimea in their endeavor to reform the economy via market transformations and the creation at the first stage of specific free economic zone in the cities of Kerch and Feodosiya and special economic zones in the cities of Sevastopol and Krasnoperekopsk.

The MBR Party is prepared in respect to the said problems to present the president of Ukraine with specific proposals with mechanisms for their realization. The party is sure that there are both in Ukraine and in Crimea sufficient forces to preserve stability in this region, maintaining its status of autonomous republic and its role of bridge between Ukraine and Russia.

Economic Issues

NBU Plan To Improve Commercial Performance

WS0703103795 Kiev INTELNEWS in English 1927 GMT 7 Mar 95

[FBIS Transcribed Text] Kiev, March 6—The National Bank of Ukraine [NBU] board of directors publicized the NBU's resolution of Feb. 25 concerning measures aimed to better the performance of the Ukrainian commercial banks.

According to the document, by the end of last year, 18 commercial banks were in debt, 62 banks had violated financial regulations and 10 commercial banks were closed down.

To improve the situation, the NBU has ordered all insolvent commercial banks to trade their remaining hard and national currency assets by March 10 and use the earnings to refill the banks' correspondent accounts.

During the implementation of these measures, insolvent commercial banks will be prohibited from accepting individuals' money for deposits and disbursing dividends. They also will be prohibited from issuing bank guarantees and letters of credit and giving loans under preferential terms.

The loss-making branches and subsidiaries of commercial banks must be closed during this period. In addition, all insolvent banks must undergo auditing by June 1 by an NBU recommended auditing firm.

Steps must be taken to register business entities that have failed to pay interest or principal on loans taken from a given commercial bank as bankrupts. All commercial banks are obliged to accumulate and register their statutory capital in the amount of ECU 500,000 by Jan. 1, 1996. They also must accumulate their own assets totaling a sum equivalent to ECU 1 million. A newly-established commercial bank will be permitted to open deposit accounts for individuals as well as issue bank certificates and promissory notes, it has been granted a special NBU license and it has observed financial regulations throughout the past three years.

The NBU resolution put a ceiling on individual loans given by a commercial bank. The NBU requires that the loan must not exceed 25 percent of the bank's capital. The resolution also prohibits commercial banks from using borrowed funds for covering operation expenses, financing bank office renovation or construction, or paying bank employee wages.

Starting March 10, new limitations will be imposed on maximum interest rates offered by low-liquidity or loss making commercial banks, excluding the interest charged for inter-bank loans. In addition, all commercial banks must set up an accounting system to enable daily registration and control of funds lent by the bank's subsidiaries. After April 25, any commercial bank loaning an amount more than KBV [karbovantsi] 1 billion will have to notify the NBU.

The resolution also states that the NBU will no longer consider commercial banks' requests for financial aid or special adjustments in financial regulations.

National Bank Head: Foreign Accounts 'Unfrozen'

AU0603180895 Kiev HOLOS UKRAYINY in Ukrainian 3 Mar 95 p 1

[Unattributed report: "Foreign Accounts of the National Bank Have Been Unfrozen"]

[FBIS Translated Text] All foreign accounts of Ukraine's National Bank have been unfrozen, stated Viktor Yushchenko, chairman of Ukraine's National Bank, at a news conference in Kiev.

According to him, "Ukraine's National Bank took the initiative and held negotiations with each particular creditor." "Everybody agreed to met us half-way and all fines and interest imposed upon us for failing to repay loans have been canceled," he pointed out.

In order to solve the debt problem, Ukraine's National Bank intends to request that the Cabinet of Ministers earmarks for these purposes about 14 trillion karbovantsi [K] in the 1995 state budget. "We have agreed upon a deadline for repaying the debts," stressed Viktor Yushchenko. "After that, penalties for failure to repay the credits will again be imposed upon us."

V. Yushchenko also told the journalists that K179 trillion out of the approximately K282 trillion planned as the budget deficit for the current year will be repaid through issuing more money, K17 trillion in the form of securities, and the rest with be covered by credits from the IMF.

Economic Commission Chairman Says Policy 'Rudimentary'

AU0203093895 Kiev HOLOS UKRAYINY in Ukrainian 24 Feb 95 p 3

[Interview with Oleh Taranov, chairman of the Commission for Issues of Economic Policy and Management of the National Economy, by Volodymyr Korolyuk; place and date not given: "So That Low-Income Families Should Not Be Adversely Affected]

[FBIS Translated Text] [Taranov] Our commission comprises 20 deputies who represent almost all factions and groups: There are among them representatives of right and left-wing forces, including Agrarians and Communists. More specifically, the commission is a miniature cross section of our parliament. However, as is known, we adopt almost all of our decisions unanimously at our sessions. We argue and prove our points to one another, but we invariably try to work out a common position. This was, for example, the case when we adopted our decision on governmental decree No. 733. We are perfectly well aware of the fact that there exist objective economic laws and that price increases are unavoidable. However, low-income strata of the population must not be affected by this. That is why there cannot be any talk of raising prices until preventive measures for social protection of the population are taken. All members of the commission agreed with this.

We are presently working on a package of privatization laws and preparing for a second reading of the law on leasing and three laws on the development of anti-monopoly legislation. It is also planned to hear a report of the Anti-Monopoly Committee; a privatization program is being drafted, as well as a package of documents on the securities market.

The commission is the author of a new privatization concept, which found reflection both in legislative bills and in the presidential edict.

[Korolyuk] What is the gist of the concept?

[Taranov] It is very simple: We only allow privatization of one-half of the voucher cost for labor collectives. To put it differently, state property is not subject to selling for free money. Why not? Because, today, the cost of property does not correspond to the true value of money. Even its 50-fold indexation has not helped.

[Korolyuk] What is the cause of such contradictions?

[Taranov] This is natural. The thing is that, today, inflation is ahead of everything, including indexation of fixed capital. On the other hand, the same indexation may later have a very serious effect on price formation and prime cost of products, and this, in turn, may speed up inflation processes. In this situation, serious distortions might occur—expensive property can be sold at a very low price.

Second, at least 30 percent of property or shares of enterprises of medium and large privatization remains at the disposal of the state. This means that a serious stabilization fund will be created and the state will be able to influence the post-privatization situation. The following also happens: An enterprise is redeemed, but with no effect because there is no circulating capital.

[Korolyuk] In which way does the concept take into account the experience of the Russian voucher privatization?

[Taranov] I do not find the experience of our neighbors positive. There were two stages there: First, privatization took place there and then the shares that belonged to the state were sold. We rejected this approach and turned to the president with the initiative to urgently create a body for management of the corporative sector and shares of nonstate enterprises.

The state must take advantage of the market, including the securities market. The state is now the main vendor of securities and their major owner.

[Korolyuk] And may, owing to this, replenish the budget....

[Taranov] ...Quite considerably at that. Besides, the state may attract investments and further develop the concept of the securities market.

Incidentally, our commission also drafted this concept. We now work on a package of laws, which must, first and foremost, provide guarantees for investors, more specifically for every Ukrainian citizen, who may want to purchase securities.

All those situations with the "MMM" [in Russia] and other such organizations arose because there is no structure, depository, accounting, stock exchange rules, and so on. This enabled some people to take advantage of the population's ignorance.

[Korolyuk] The last question. Is there an economic policy in our state at the level of executive power?

[Taranov] I would put it like this: There exist rudiments of an economic policy. This means that, so far, there are no clearly defined program or plan for reforms or economic transformations. There are certain trends that are being worked on, but on the whole....

That is why, for me personally, one of the tasks is to take an active part in creating such a plan. In order to do something today, we need to know what to do tomorrow, the day after tomorrow, and so on.

I am not saying that everything done by the executive power or by us, the legislative power, is bad. By no means. The whole activity is aimed at stabilizing the economic situation. However.... The road to hell is paved with good intentions. It so happens that, in search of a better path, theory diverges from practice.

Here is an example. The Law on Taxation has already been signed. A wonderful and classical law. It applies to all spheres. It may serve as an example. However, unfortunately, it does not match the current situation in Ukraine. I have my fears that, instead of being useful, this law will generate new problems that will have to be dealt with.

This is a vitally important question: Is there an economic policy? Yes, there is, but it should have been better thought out and should have taken into consideration the current needs.

Ukraine Joins Alfa Space Project

LD0703104495 Moscow Ostankino Television First Channel Network in Russian 0752 GMT 7 Mar 95

[From the "Novosti" newscast]

[FBIS Translated Text] Ukraine's space department joined the Alpha international space program, which envisions the launching of a permanently manned station into Earth orbit.

[Begin recording] [Unidentified correspondent] The Khartron association was the brain center of the USSR's Glavkosmos for over 30 years. It was here that the electronic control systems for devices in space were created and developed. After a long break because of lack of orders, the unique complex is back to work. Khartron has been invited to join the international Alpha project. Along with experts from the United States, Russia, Germany, Canada, and Japan, its experts have started working on an orbital station for the benefit of mankind. The Ukrainian experts have been instructed to design and manufacture equipment with an autonomous control system, including the central onboard computer for the functional cargo unit which will be put into orbit in 1997. Other countries participating in the project will dock their modules onto it at a later stage.

[Aizenberg, director general of Khartron] This is good news for the Ukrainian space industry, which unfortunately is experiencing difficult times. Also, it was just slowly dying. This is an important and serious topic. We regard it as a great chance for Ukraine because only 10 percent of its working and industrial potential for space has been used. [end recording]

Coal Industry Reform Seen Sham

95P50076A Lvov POST-POSTUP in Ukrainian No 5, 10-15 Feb 95 p 5

[Article by Maryana Chorna: "Reform or No Reform, It Is All the Same In the End"]

[FBIS Translated Text] Reform in the coal sector is somehow surrealistic. It began with the proud statement of the Cabinet of Ministers: Starting from January 1995 there will no longer be any subsidies, the miners will be given their freedom. The logic of economic laws will finally touch the holy of holies of the administrative-command kingdom—coal. A holiday for common sense! But let's not hurry... While the higher ups were making a lot of commotion, in the Ministry of the Coal Industry a modest booklet appeared: a catalog of the only prices allowed on coal production, established from above. Volodymyr Ohuy, head of administration of the Ministry of the Coal Industry showed us this "product of reforms." He also let us in on all the details: how all these prices were determined. The ministry determined that a ton of coal in 1995 will cost 3.5 million karbovantsi (32 USD): all expenses plus profit plus maintaining the social sphere, including burial and injury benefits, and in addition to that rescue work and ...

The new "calculated-wholesale" price for Ukrainian coal of 32 USD - is noticeably higher than the world price of 25-27 USD. By the way, that 32 USD includes everyone: just like the old joke the military hospital, where in the morning the head doctor reported that the average temperature in the ward was 36.6 degrees. One patient had a temperature of 34.5 degrees and another had a temperature of 42 degrees. Thus, in all everything was normal. In practice it works out this way: a director who pulled out all stops to achieve a lower cost of production, after having at least lowered such "productivity losses" as the bodies of his own miners, is stuck. He has to charge 32 USD a ton, period. He could sell it for 25, but he is not allowed, for next to him is another "manager" who has twice as many people in the office as in the mine, injuries every week, and a disaster every year. There you have the mean index...

The question whether it was possible to arrange things so that the mines set their prices themselves, angered Mr. Ohuy greatly. No, he declared, that is not possible. For coal extraction conditions vary: at one mine face they are better, at another they are worse, and that is a God-given fact. In addition, the technology at one is newer, at another older, and that is "state given." Under conditions of free pricing, this will result in one being profitable and another unprofitable: this is blatant social injustice! But the following is the main reason: "We have 248 mines, of which only 58 have a positive balance, what do we do with the other 190, close them? There will be a social explosion." That is it. No more is said. It never occurred to the Ministry of the Coal Industry that under such "market price formation" 190 directors of 190 mines will peacefully dream on the next 190 years and they will not even give a thought to improving technology, cutting back the secretarial staff, or at least lowering the number of people killed or made into invalids, in order to lower the cost of coal production.

However those 58 directors, who according to Donbas custom, still continue to work, will in the end simply throw up their hands. Under such a market approach the wisest course is to do what Mr. Ilyushenko of Donetskvuhillya did, and a whole series of production associations plan to do—go bankrupt. For when you go bankrupt no one forsakes you, you poor wretch, in the Ministry of the Coal Industry. They throw you a little money at the "average hospital price" and one can start afresh. This is the Ministry of the Coal Industry market in its macrostructure. The most interesting feature is the absence of two vile products of capitalism: the profit motive and competition.

Relevant to that point, wages are also included in the price of coal. According to official data from the Ministry of the Coal Industry, it makes up 25.4 percent of the price of coal. If one includes bonus work, a bit more. In the times of unregulated capitalism, if one believes Karl Marx, this component for German miners exceeded 30 percent, and was called "merciless exploitation of the working class." In that case, what is the Ministry of the Coal Industry Practice called?

Now let's model the behavior of consumer-95, to whom we offer this "statistically average" coal at 32 USD, when it is possible to buy Rostov or Polish coal for 25 greenbacks a ton. What will he do? You are right: he will take any one, but not Ukrainian coal. So the 32 dollar a ton price will remain on paper in the ministerial catalog, and the profitable and still vital mines will slowly die, which will decrease production. Regular formations of unemployed miners will go to Rostov, and still another step toward the clinical death of the coal industry will have been taken.

Naturally we still have not reached this macabre prospect. The employees of the Ministry of the Coal Industry know their subject matter and assured POST-POSTUP that there will be subsidies. They will call then something else more becoming, but that is a certainty. We were not mistaken in our forecasts, for a week after our conversation, President Kuchma visited the Donbas and... calmed down the coal directors: there will be subsidies. We cannot exist without them—coal is too expensive. But why it is expensive—that is already another question...

What about reform? There will also be reform: they will close 12 unprofitable mines, of which 5 will be in central Donbas. Why it is necessary to close 12, and not 5 or 50 and exactly which ones, the devil only knows. Beyond that, the social sphere is not counted into the cost of production. It is hard to say on whose back to place the sanitoriums. With daycare centers the situation is clearer—this will fall on the Donetsk oblast and city budgets. In addition, National Bank Chairman Yushchenko made clear that, as Donetsk has paid its contribution in the past in full, so will it continue to do in the future. All attempts to keep more money in the regions that was made in those very same regions—are nonsense. For the National Bank does not have a private stash where it can obtain money. Does Donetsk have one?

The market is where one is allowed to compete freely with one's neighbor, improve technology, lower production costs, and according, prices as well. This is an economy where bankruptcy is allowed and where one can accumulate a surplus, but above all by your own work out of raw materials. I involuntarily recalled the interview with the head of Donetsk Strike Committee, which ended the autumn strike so that, God forbid, reforms would not be cut short. Thus belts that had already gone 3 months without being paid were tightened further. Independent insurance companies, insured medicine and there, privatization as well, had already been squeezed out of them somewhere. In the ministry they assured POST-POSTUP: there is enough Ukrainian coal to last 500 years. But does Ukraine have enough miners and strength for such a "reform?"

Belarus

EU Signs Partnership, Cooperation Agreement

LD0603205095 Moscow ITAR-TASS in English 2022 GMT 6 Mar 95

[By ITAR-TASS correspondent Aleksandr Mineyev]

[FBIS Transcribed Text] Brussels March 6 TASS—Belarus intends to seek gradual integration into key European structures, including the European Union, Byelorussian President Alyaksandr Lukashenka said as he signed an agreement on partnership and cooperation between the EU and Belarus in Brussels on Monday [6 March].

European Commission Chairman Jacques Santer expressed the hope that Belarus will one day share its border with the European Union.

The agreement on partnership and cooperation defines general principles of relations between the EU and Belarus. As Santer said, the agreement is designed to promote democracy and market reform in Belarus.

As in the case with other CIS states, the agreement with Belarus conditions economic cooperation with and macroeconomic assistance to the former Soviet republic on the enforcement of human rights.

In 1998, the sides will discuss the possibility of establishing a free trade zone between them. The agreement defines Belarus as an economy in transition.

The EU leaders gave a high assessment to Lukashenka's programme of economic reform and welcomed its first results.

French Foreign Minister Alain Juppe who is EU Council president stressed that Western Europe understands the special importance for Minsk of its relations with its neighbours in the East, including in the Commonwealth of Independent States. The agreement between the EU and Belarus does not contradict the development of contacts eastward, he added.

Lukashenka emphasised that his visit to Brussels aims at "balancing Belarus' foreign policy on the East-West axis."

Lukashenka: 'Purely Economic' Goal

WS0603132995 Minsk BTK Television Network in Belarusian 1900 GMT 5 Mar 95

[Video report by Alyaksandr Kruhlakow]

[FBIS Translated Text] Belarusian President Alyaksandr Lukashenka departed for Belgium today on an official visit. Our correspondent Alyaksandr Kruhlakow reports from Minsk-2 airport.

[Begin recording] [Kruhlakow, in Russian] Is your visit to Belgium a tribute to the European traditions which are being taken into consideration by Belarus, or, maybe, is it devoted to drafting some outlines for future cooperation?

[Lukashenka, in Russian] No, Sasha [diminutive for Alyaksandr], the point is not in this. I am going not so much to Belgium, as I am going to the EU. The EU today comprises 15 countries, therefore I have a unique possibility to meet with 15 countries embodied within the EU government. Concrete issues will be discussed. This is probably the most important visit I have made over the last six months, because we will examine purely economic problems related to our trade with those 15 countries. The EU is our very strong partner, a very strong one. About 35 percent of all our exports to the far abroad go to the EU. Therefore, this is the first part—the most important part—of my visit.

Well, regarding Belgium, it is the second issue, because, while there, one should establish normal relations with them. It seems to me that there are fewer problems there, particularly since the Belgians have already earmarked a hard-currency credit for us.

[Unidentified correspondent, in Russian] Is there going to be a meeting with NATO representatives [words indistinct]?

[Lukashenka, in Russian] Yes, we need to hold negotiations with NATO and seek that the West keeps its promises, just as Belarus has kept its promises. [cut shot]

[Kruhlakow] This correspondent, within permissible limits, will report all current information from Brussels to Minsk.

This is Alyaksandr Kruhlakow, for the Agency of Television News, reporting from Minsk-2 airport. [end recording]

President 'Heartened' by Agreement

LD0603223095 Moscow Voice of Russia World Service in English 2200 GMT 6 Mar 95

[FBIS Transcribed Text] Meeting the European Union foreign ministers in Brussels on 6 March, Belarusian President Alyaksandr Lukashenka signed an agreement on trade between Belarus and the European Union.

Speaking after the ceremony, he said he was heartened by the agreement and hoped it would help Belarus make up for the environmental and health losses inflicted by the Chernobyl nuclear disaster.

Mr. Lukashenka called on the European Union to assist Belarus in its technological reconstruction. He pointed out he had come to Brussels not to beg for anything, but to establish equal partnerships with European nations.

Arms Cut Pause Due To 'Strictly Economic' Factors

LD0703101795 Moscow KRASNAYA ZVEZDA in Russian 7 Mar 95 p 1

[Report by Valeriy Kovalev: "Belarus Suspends Implementation of Treaty on Reduction of Conventional

Weapons. This Has Been Done on the Instructions of Republic President Alyaksandr Lukashenka, Commander in Chief of Its Armed Forces"]

[FBIS Translated Text] Requested by your KRASNAYA ZVEZDA correspondent to comment on the head of state's decision, Viktor Sheyman, state secretary of the Republic of Belarus Security Council, reported that it was "provoked not by political but by strictly economic factors." "Belarus has no intention of withdrawing from the OSCE [Organization for Security and Cooperation in Europe] Treaty and will endeavor to implement it," he said. "The suspension is connected with difficulties in funding the two plants which are involved in the destruction of weapons. We simply do not have enough money for the purpose."

According to the state secretary, the president gave the order to the republic Foreign Ministry to draw the attention of all treaty participants to this problem so that they could give material assistance to Belarus in eliminating the superfluous weapons.

Let us recall that under the treaty the Republic of Belarus has to cut 12,171 tanks, 1,462 armored personnel carriers, and 134 aircraft by 16 November of this year. According to reports received from the national agency for monitoring and inspections, so far approximately 70 percent of this quantity of combat hardware has been eliminated.

Germany was the first European country to react to Alyaksandr Lukashenka's demarche. The information section at its embassy in Minsk has circulated a statement from Klaus Kinkel, head of the FRG foreign policy department, which expresses serious concern. The minister stressed that the foundation of security in Europe should not be jeopardized by unilateral steps. Requests by individual partners in the treaty could be discussed by a "joint consultative group" in Vienna. Kinkel called on the Belarusian leadership to "think out its subsequent actions."

Well, you can understand the West's concern. But you should certainly also put yourself in the position of Belarus, which has essentially found itself, amid a serious economic crisis, face to face with an enormous mass of armored equipment and aircraft subject to destruction.

Kastenka Views Army Development, Tasks

WS0703111595 Minsk VO SLAVU RODINY in Russian 2 Mar 95 p 1

[Excerpt from a speech by Defense Minister Colonel General Anatol Kastenka to a group of veterans at the House of Officers on 23 February: "We Have Every Right To Be Proud of Our People's Combat Courage"]

[FBIS Translated Text] People's wisdom says that the land can feed man with its bread, give him water to drink from its springs, but it cannot defend itself, because this is the sacred duty of those who eat bread from their native land, drink its water, and enjoy its beauty. The trade of warrior and defender has always been respected in our state. Historically, our people had to fight with foreign invaders to survive as a nation. We have every right to be proud of our people's combat courage. Our fathers' deeds and endeavors accomplished in the name of our homeland should be remembered forever.

Belarusian people do not have to look for fictitious heroes and cases of heroism, because among them, there are hundreds or thousands of individuals who are closely connected by bonds developed during fights for their country and military labor in the time of peace.

Today is a special day—for the first time in the long history of our state, we are celebrating the Day of the Fatherland's Defenders and the Belarusian Armed Forces driven by a desire coming from their hearts, freely, and without any ideological pressure. We pay tribute to those who defended our state with arms in hand and who always regarded service to the Fatherland as their supreme goal in life.

Years of war plunged the Belarusian people into unprecedented misery and suffering. In their fight for independence and a future, our people displayed exceptional courage, patriotism, and an unbending will. The partisan movement swept the entire nation, and there was no piece of land in our Republic where the fascists could feel safe and comfortable—the partisans reached them everywhere.

On the eve of the 50th anniversary of the Great Victory over fascism, your role, dear soldiers of the Great Patriotic War, in preventing a division of the victory into Belarusian, Russian, Kazakh, Ukrainian, and other parts is particularly visible.

This is our common victory. Its influence on the fates of our people and war-time hardships cannot be erased from our memory.

Awareness of the common fates, even if accompanied by the construction of independent states, offers a different perspective on historical processes and makes us approach political and economic changes more attentively.

The modern political situation is complex and multifaceted. The threat of war has been significantly reduced, but the era of relevant stability, based on an inter-system military and strategical parity, has ended, too. The Yalta-Potsdam system of European security broke into pieces, leaving the Central European region with the need to find its place in the system of international relations.

With the risk of war considerably decreasing, the internal sources of instability have increasingly gained in power, letting loose a range of old-time contradictions and potential conflicts. The Balkan military-political knot, with its century-long contradictions, has not yet been untied.

There is a tendency for the NATO influence zone to expand to the regions directly bordering with our Republic, which can cause an imbalance in forces. At the same time, the opinions of NATO and the West European Union on security problems are becoming increasingly different.

Cooperation spheres of Belarus and the CIS countries are expanding. The Belarusian Republic joined the Collective Security Treaty. Recently, everyone could witness a comprehensive treaty being signed with Russia.

When it achieves sovereignty, our young state will become aware of the need to protect it. A number of legislative acts were adopted to ensure security for the state and build the Armed Forces. Going through the initial stages of their development, the Armed Forces see the task of maintaining high combat readiness and morale as their primary goal.

Now, more than three years into the process of their development, the Armed Fores have determined their image and role in the life of society and the state. The transition to a new, organization and staff structure has been completed in general, with the system of military education being developed. Much has been done, but a lot is yet to be done, because the military reform depends on the nationwide process of economic and political transformation. The Belarusian president steadily keeps this reform in the focus of his attention. After all, the creation of a single system of national security, including the military sphere, is at issue here.

We will have to resolve global tasks in the sphere of ideology and elevate the defense and patriotic awareness of our people to a higher level, optimize the entire military organization of our state, and bring it in line with the state's tasks and abilities.

Steady and balanced good-neighborly relations with all states are becoming the basic principle of our military policy. The authority of our state, which declared its peace-loving aspirations, is growing. The Belarusian Republic initiated a range of agreements intended to ease military tensions and nuclear threat in Europe.

A shining example of this are the results of negotiations held by Belarusian President Alyaksandr Lukashenka and Russian President Boris Yeltsin.

There are no doubts that not only the past, which was to a great extent artificially destroyed, but also the future prospects of our integration suit the intrinsic interests of the Russian and Belarusian peoples.

In relations between our states, including the military sphere, we should preserve all the experience accumulated over the centuries of economic, ethnic, and territorial closeness of our peoples.

Reasonable and wise use of ever-changing world conditions and the new status of Russia and Belarus as independent and sovereign states in our mutual interests is a new element becoming evident in our relations.

There is a deep confidence that supported by the leadership of our country and respected by the people, our Armed Forces will soon acquire a modern image corresponding to the dynamics of the present times and the people's interests.

'Key Products' Specified in 1995 Trade With Russia

WS0703094895 Minsk BELAPAN in English 0852 GMT 7 Mar 95

[FBIS Transcribed Text] According to information received from the Belarusian Ministry of Economy, the enclosures to the Belarusian-Russian intergovernmental agreement on the basic principles of trade and economic cooperation in 1995 contain the volumes of mutual deliveries of the key products. In particular, Russia is supposed to deliver 10 million tons of oil, 16,000 million cubic metres of natural gas, and 150 thousand tons of petrol. Belarus, in its turn, undertook to deliver 220 thousand tons of rolled ferrous metals, 14,400 MAZ trucks, 14,000 tractors and other products. The mutual deliveries are supposed to be carried out at prices not exceeding the current prices on the home markets of Belarus and Russia. Payments between economic management structures will be effected at agreed prices or prices fixed in accordance with special intergovernmental agreements.

Value-Added Tax on Exported Goods Abolished

WS0703093495 Minsk BELAPAN in English 0852 GMT 7 Mar 95

[FBIS Transcribed Text] The heated argument that flared up in the Oval Hall about amendments to the tax legislation on March 2 reached its culmination on March 3. The day before four parliamentary committees—for budget and planning, for industry and public services, for economic reform, the achievement of economic independence and sovereignty of the Republic, and for agrarian matters, foodstuffs and the social development of the countryside, as well as the Minister of Finance Pavel Dzik and representatives of the tax inspection, accepted the amendments to the law on taxation, which were proposed by the committee for industry and public services, quite quickly. As a result, the 15-percent excise, which was in force as regards fridges and deep-freezers since January 1, was abolished.

However the most heated argument involved the proposal to cancel the 5-percent VAT on exported goods. The Minister of Finance Pavel Dzik severely criticized the proposal, asserting that if the tax is abolished the Republic will receive 1,380 billion rubles less. However, practically all speakers cited arguments in favor of the abolition of the VAT on exported goods. MP Vital

Malashka declared that this amendment to the tax legislation would allow industrial workers' wages to be increased by 10-15 U.S. dollars.

The prime minister of the Shadow Cabinet of the Belarusian Popular Front MP Uladzimir Zablotski pointed out that only if the tax is abolished Belarus-produced goods may become competitive on the world arena.

The parliamentarians disregarded the argument of the minister of finance that the Cabinet of Ministers had the right to abolish the VAT or to reduce excise rates for every specific enterprise which exports its products. The MPs pointed out that there were about 30 thousand enterprises in the country and the government would not be capable of considering the situation in each of them.

In the end the Supreme Soviet abolished the VAT on exported goods by 168 votes. The decision comes into force on April 1.

Moldova

Anti-Crime Cooperation Memorandum Signed With Israel

AU0603132595 Chisinau BASAPRESS in English 2359 GMT 3 Mar 95

[FBIS Transcribed Text] Chisinau BASAPRESS, 3/3/1995—A memorandum on cooperation between the Moldovan Ministry of Interior (MI), and the Israeli Ministry of Police was signed today in Chisinau. The memorandum was signed by Constantin Antoci, Moldovan ministry of interior, and Yakob Labidot [name as received], general director of the Israeli Ministry of Police. The memorandum provides for cooperation in prevention of crimes, population's security, road traffic, fighting drug traffic, and management of penitentiary system. Antoci stated after the signing of the document that the Chisinau MI applies the Israeli experience in forging a new passport system in Moldova. He added that the Chisinau MI will study and then use the Israeli experience of keeping records of the flow of foreign citizens to and from Moldova. Labidot told BASA that there are no signs of increase in the number of crimes committed in Israel by Jews who emigrated from the ex-Soviet states including Moldova.

Thirty Gagauz Areas to Join Territorial Formation

LD0603184695 Moscow INTERFAX in English 1703 GMT 6 Mar 95

[FBIS Transcribed Text] Komrat, Mar 6 (Interfax)—According to preliminary information, 30 of the 36 populated centers participating in the referendum on establishing the borders of Gagauzia (Gagauz-Eri) on Sunday [5 March] decided to join the territorial formation, Moldovan Vice Premier Valeriy Bulgar told an Interfax correspondent today.

Bulgar is also the head of the joint commission on implementing the law on the special status of Gagauzia.

About 73% of 110,000 registered voters took part in the referendum.

The participation of at least 60% of registered voters was required for the referendum to be valid.

A total of 72 constituencies were created in 26 populated centers where Gagauz make up over half of the population and in ten villages where Gagauz are less than a half of the population. Signatures in favor of the referendum were collected in the ten villages. At least a third of registered voters must sign corresponding appeals if the referendum is to be held in their populated center.

The referendum on the borders of Gagauzia was the first move for carrying out the law on the special status of Gagauzia, adopted by the Moldovan parliament in December 1994.

By adopting the law the political parties which came to power in February 1994 fulfilled one of their main pre-election promises: to end the four-year confrontation between Kishinyov and Komrat over the so-called Gagauz issue. After Gagauz-Eri is created, elections to the local parliament and for choosing the administration's head will be held on this territory.

Dniester's Marakutsa: Chisinau Ties 'Friendlier'

AU0603131995 Chisinau BASAPRESS in English 2359 GMT 3 Mar 95

[FBIS Transcribed Text] Tiraspol BASAPRESS, 3/3/1995—"Though there are political divergences, relations between Tiraspol and Chisinau are getting friendlier," Grigoriy Marakutsa, Dniester Supreme Soviet chairman, stated to the newspaper DNESTROVSKAYA PRAVDA (TRUTH OF THE DNIESTER.) According to Marakutsa, formulas are being sought to allow Dniester to preserve "its status of a state favored by people" and at the same time "to preserve Moldova's territorial integrity favored by the international community." Referring to the organization of a referendum on the 14th Army withdrawal on the day of the local elections which are decreed by the Dniester authorities, Marakutsa said "the plebiscite should give a clear answer to the question: Do people want the 14th Army to be withdrawn? We want to learn about the people's opinion and relay it to the Russian and Moldovan leadership, which must take it into account." In another context, Marakutsa said "I will not conceal the fact that the socio-economic situation in Dniester is very complicated, but not catastrophic."

Kazakhstan

Russia Turns Over Nuclear Testing Ground

LD0703093895 Moscow ITAR-TASS in English 0815 GMT 7 Mar 95

[By ITAR-TASS correspondent Vladimir Akimov]

[FBIS Transcribed Text] Almaty March 7 TASS—Russia has turned over to Kazakhstan the Galit complex, which is better known among specialists as the Azgir nuclear technology testing ground, ITAR-TASS learned from reliable sources. The nuclear facility is situated close to the Russian-Kazakh border, at the boundary between the Arytau (former Guriev) and Astrakhan Region. Before the disintegration of the Soviet Union, it was used for developing modern nuclear technologies for military and civilian purposes.

Specifically, the research, aimed at mastering methods of creating cavities in salt deposits with the help of underground nuclear explosions, was conducted at Galit. According to the existing information, such cavities are used at industrially developed countries for keeping strategic reserves of liquid and gaseous fuel.

However, it is a laboratory for the synthesis of superhard materials, which is the most valuable part of the Galit complex. It includes the Yava-1 installation, which can produce diamond dust with the maximum size of particles under 900 angstroem with the help of the controlled splitting of nuclear materials. Diamond dust is in high demand at the world market. It costs no less than 8,000 dollars per kilogram.

Now the Atomic Energy Agency of Kazakhstan, which took over the testing ground, began to work out a programme of the operation of the unique equipment in the national interests. At present the republic cannot use it at full capacity. This is why the Kazakh authorities expect mutually advantageous proposals from other countries, of which they will choose the most promising ones.

Galit has been turned over to Kazakhstan in accordance with Kazakh-Russian agreements on military-technical cooperation. Aside from joint work, they envisage the leasing by Kazakhstan to Russia of several test sites, inherited from the USSR, which are intended for military tests.

Arms Industry Seeks Cooperation With Russia

MM0703099095 Moscow KRASNAYA ZVEZDA in Russian 4 Mar 95 p 5

[Report by Anatoliy Ladin: "When the Locomotive Grinds To a Halt, the Cars Stop Too"]

[FBIS Translated Text] The defense workers of Kazakhstan—like their colleagues in Russia and the other republics of the former USSR, incidentally—are having a hard time. And it seems as though the situation facing Kazakhstan's military-industrial complex could become even more difficult.

As is well known, until recently Kazakhstan's defense enterprises were part of the single Union military-industrial complex. Many plants are now reminiscent of railcars uncoupled from the locomotive. And we cannot fail to note that the locomotive—that is, the entire Russian defense industry—is trying to move on without Kazakhstani participation. Certain types of output which used traditionally to be manufactured by the Kazakhstani defense industry have now been taken over by Russian enterprises. Clearly, this makes things cheaper for Russia.

But if we pursue the analogy of the train, it has to be said that the "decoupled" Kazakhstani section has been left with a lot of finished products that are earmarked, under previous orders, for the Russian Army and Navy. Orders worth many billions of rubles. And, incidentally, for the kind of output which the Navy is very much in need of. Thus the orders have long been met, but the clients are in no hurry to pay up and take up what they ordered. The Kazakhstani enterprises involved with these "frozen" Russian orders are in dire straits. And, realizing the current difficulties, they are counting on the probity of their partners in Russia. The difficulties are well known—the Russian Federation Finance Ministry owed the Russian Federation Defense Ministry some 3 trillion rubles in 1993 alone for armaments, military hardware, and property. It would be great if it paid up, but it does not have the wherewithal!

The Kazakhstani defense industry is currently undergoing active conversion. But this process is only picking up speed rather than reaching completion. Consequently, people here would still like to be getting military orders from Russia and meeting those orders with their previous quality.

Defense cooperation is by no means an idle question, particularly for Almaty. First and foremost it applies to contacts with Russian colleagues. The Kazakhstani military-industrial complex specializes in the production of certain components for defense products. Under these conditions the loss of contacts is a real disaster for them. Enterprises will grind to a halt and workers will be fired. This gives particular urgency and topicality to the question of a special "coupling." But the Kazakhstani defense workers are still hoping for something better. For instance, for cooperation on new integrated lines.

Citizenship Legislation With Russia Viewed

954F1629A Almaty KAZAKHSTANSKAYA PRAVDA in Russian 2 Mar 95 p 1

[KAZTAG report: "In the Name of Peace and Accord"]

[FBIS Translated Text] During an evening session 28 February the Supreme Council ratified the treaty between our country and Russia "On the Legal Status of

Citizens of the Kazakhstan Republic Permanently Residing in Russian Federation Territory and Citizens of the Russian Federation Permanently Residing in Kazakhstan Republic Territory," and the agreement between the two states "On Simplified Procedure for the Acquisition of Citizenship by Kazakhstan Republic Citizens Coming to the Russian Federation for Permanent Residence and Russian Federation Citizens Coming to the Kazakhstan Republic for Permanent Residence." As we know, these exceedingly important documents were signed in Moscow 20 January of this year by Presidents Nursultan Nazarbayev and Boris Yeltsin.

Now it is time for Russia's parliamentarians to have their say.

Following ratification of the treaty and the agreement by Russia's Federal Assembly, the documents will enter into force effective 30 days from the date of exchange by the parties of instruments of ratification.

It might be appropriate to recall here that according to the Supreme Council Decree "On Procedure for Implementation of the Kazakhstan Republic Law 'On Citizenship of the Kazakhstan Republic,'" dated 20 December 1991, citizens of our state are persons permanently residing in the republic as of the date of entry into force of this law, i.e., 1 March 1992, unless they submit written application within two years to the local organ of internal affairs stating their desire not to be a citizen of Kazakhstan. In accordance with the Law of 10 December 1993 "On Temporary Delegation of Additional Authority to the Kazakhstan Republic President and Heads of Local Administrations," on 23 December 1993 Nursultan Nazarbayev issued a decree extending the time frame for determination of citizenship to 1 March 1995. In the process of ratification of the Kazakhstan-Russia documents, at the initiative of the head of state, the Supreme Council introduced an amendment to its own decree, extending to 31 December of this year the time frame for determination of citizenship on the part of those who have still not legalized their affiliation as republic citizens.

Citizenship Agreement, Treaty Ratified

954F1628A Almaty KAZAKHSTANSKAYA PRAVDA in Russian 2 Mar 95 p 1

[Article by Elmira Pashina, KAZAKHSTANSKAYA PRAVDA: "Will the New National Idea Live in Kazakhstan?"]

[FBIS Translated Text] Seriously criticizing flaws in the draft law on the budget, a conciliation commission composed of representatives of the Supreme Council and the government still managed to locate reserve funds for replenishing the income portion of the budget, which will result in increased allocations for such "residual" sectors as public health and education.

It is still too early, however, to expect complete agreement with respect to other articles of the draft law. This was confirmed by yesterday's morning session chaired by Abish Kekilbayev, who frequently tried to make extremely emotional deputies see reason. The situation is understandable—the closer we get to the completion of work on the draft law, the less parliamentarians' chances are of lobbying for the interests of "their" electorate.

During the second half of the day, deputies as a rule engage in the ratification of various important agreements. An agreement on state assistance to the family members of military servicemen who died in Afghanistan and other states in which combat operations have been waged became law.

Also ratified were an agreement between Kazakhstan and the Russian Federation on simplified procedure for acquiring citizenship and an agreement between the two states on the legal status of Kazakhstan citizens who permanently reside in Russian territory and Russian Federation citizens who permanently reside in the territory of our republic.

It is noteworthy that the Supreme Council introduced changes to its decree on the procedure for implementation of the Law on Citizenship of the Kazakhstan Republic, and extended the time frame for selection to 31 December 1995.

It seems logical that precisely during the days of adoption of these important documents, which open up the way for true integration in many spheres between the two states, a group of deputies of the coalition Progress distinctly declared its vision of a new national structuring of Kazakhstan.

The authors of the declaration—Supreme Council Deputies G. Aldamzharov, V. Roze, A. Peregrin, and others—are convinced that "the key to understanding the national idea must be the concept of the 'Kazakhstan nation.' We are diverse—in our ethnic origins, customs, religions beliefs, and traditions. But we are all the people of Kazakhstan, citizens of a united country."

It is in no way difficult to predict the reaction of those who are intransigent in advocating the pure monoethnic structuring of Kazakhstan, is it not?

But neither will the "headache" diminish for those who, in "devoting themselves to caring for" the downtrodden and oppressed, hasten to reshape the Constitution. "In accordance with international norms, it appears desirable and even necessary to afford privileges to those ethnic groups whose language and culture have been most encroached upon. In Kazakhstan these are the Kazakh language and Kazakh culture." And further on: "We understand the Constitutional entry 'Kazakhstan as the form of the self-determining Kazakh nation'—as a result of the self-determination of all the people of Kazakhstan, of the Kazakhstan nation."

In the words of the author of the declaration, today we are artificially divided by those for whom common strategic interests are alien.

Indeed, perhaps that is the way things are. Common sense is always alien to "the left" and to "the right"—they are that "extreme."

Be that as it may, it is befitting to evaluate the declaration of deputies in the current politicized climate as an action. As a distinctive moratorium on amending the Constitution. But it appears that opponents of the new national idea will not long be kept waiting.

1994 Election Tallying Methods Unconstitutional

LD0603204095 Moscow INTERFAX in English 1926 GMT 6 Mar 95

[FBIS Transcribed Text] Almaty, Mar 6 (Interfax)—The Constitutional Court of Kazakhstan has declared the methods for tallying votes and demarcating constituencies used in March 7, 1994 parliamentary elections in Kazakhstan as unconstitutional.

A court session Monday [6 March] satisfied the relevant suit filed by a former parliamentary candidate, Tatyana Kvyatkovskaya, who had been nominated, but never canvassed the required number of votes. The court declared as a violation of candidate's rights the demarcation of different constituencies by the number of residents. In particular, Kvyatkovskaya said the constituency where she had been nominated was populated by 90,000 electors, while the neighboring one by only 30,000 electors. By this, the principles of equal representation and equal conditions for all deputies stipulated in the election code were violated, she said.

According to the court, the method for the count of votes also violated the main constitutional principle, one person - one vote. The republic's Central Election Commission had decided to propose Kazakh electors cross out those against who they voted. As a result, five, six or even more names could remain in a list of 9 candidates. The elector actually voted for several candidates simultaneously.

The court ruled that all proceeding decisions and actions are to be regarded as unconstitutional.

According to the existing legislation, the country's president and Supreme Council can appeal against the decision within 10 days.

Striking Miners' Situation, Future Viewed

954F1630A Almaty EKSPRESS-K in Russian 2 Mar 95 p 2

[Report by Stanislav Pesnev: "Citizens Demand Satisfaction"]

[FBIS Translated Text] Karaganda—*Karaganda is living through a truly dramatic situation: The coal and metallurgical sectors are undergoing transformation, unemployment is approaching, and the hungry anger of workers who are not paid their wages is growing. Without undue diplomacy, government moves are already [word illegible] as critical towards our state.*

For instance, over the entire time that the miners and thousands of workers in other sectors were roiling from long-term absence of money, nobody in the Cabinet of Ministers or the relevant agencies could say for certain what would happen tomorrow. Trade unions and coal-mining administrators are tired of warning that just because the coal basin has resumed work, this does not mean anything, and the problem has not been resolved. And in response—again grave (or frightened) silence, silence, silence.

Now the words have finally been heard from the lips of industrialists, administrators, and workers: state of emergency. At this point various groups in Karaganda are not demanding anything special—only an explanation of what is happening and what to expect tomorrow.

Home-grown versions are circulating: For instance, there is definite talk in Karaganda about imposing a state of emergency in the republic. They recall Roosevelt, who allegedly made the country prosperous by closing all commercial banks, blocking the way of private capital, and betting on the state sector. What is meant by a state of emergency? Since the state owes republic workers 15 billion tenge in wages, it must find this money. But not through printing more. The proposal is to close for two or three days all state and commercial accounts—in short, clean up whatever possible. Confiscate the loot, uncover unreported goods, and so on, and so on. Because everyone can see that there is money in the state. After all, somebody is buying multimillion hotels and other facilities at auctions at a time when workers do not have enough to buy a loaf of bread. Working people see this. Therefore, they are asking the press to convey to the top echelons that it would be better for the state to do this, because if the people start looking for this money, it will be worse.

Kyrgyzstan

Akayev, Iranian Deputy Foreign Minister Discuss Ties

LD0603215395 Tehran Voice of the Islamic Republic of Iran First Program Network in Persian 2030 GMT 6 Mar 95

[FBIS Translated Text] Kyrgyz President Askar Akayev called for the further expansion of ties with the Islamic Republic of Iran. He said that Kyrgyzstan attaches a great deal of importance to strengthening its ties with Iran.

Mahmud Va'ezi, the deputy foreign minister for Europe and America, met President Akayev in Bishkek on Monday and delivered a written message from President Hashemi-Rafsanjani.

At the meeting, in a speech referring to the glorious marking of 'Id al-Fitr in Kyrgyzstan, the Kyrgyz president expressed greetings to the Iranian people and authorities for the occasion of that auspicious Muslim feast.

Stressing the necessity for the further expansion of mutual ties and cooperation, he said the regular and reciprocal visits by the two countries' officials was an important step toward achieving that aim.

Our country's deputy foreign minister for Europe and America also met the Kyrgyz foreign minister on Monday and discussed the diplomatic and economic ties between the two countries.

Foreign Minister on Cooperation With Neighbors

LD0603173595 Moscow INTERFAX in English 1525 GMT 6 Mar 95

[From the "Diplomatic Panorama" feature: Reports by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov and others]

[FBIS Transcribed Text] Bishkek, Mar 6 (Interfax)—Kyrgyzstan has not yet decided on all aspects of its foreign policy, Kyrgyz Foreign Minister Roza Otunbayeva told Interfax today.

She said she believed that none of the CIS countries had a well-thought-out foreign political concept at present.

Otunbayeva said that young Kyrgyz state should realize its religious and cultural belonging before establishing its foreign political priorities.

She said the Kyrgyz foreign minister had been existing for only three years. Otunbayeva said the republic's Foreign Ministry should acquire more international practical experience for deciding on the Kyrgyz foreign policy. She said it was necessary to learn the environment and the opinion of the people who could have their own views on the foreign policy's priorities.

Otunbayeva said Kyrgyzstan would need time to build its relations with the neighboring countries right. She said that the reality was dictating the priorities in the foreign policy. She said Kyrgyzstan should concentrate on relations with its closest neighbors: Russia, China, Kazakhstan, Uzbekistan and other CIS countries.

Otunbayeva said Kyrgyzstan had joined activities of the Islamic Conference and the Organization of Economic Cooperation as the Kyrgyz people were loyal to the Islamic basic values and customs.

She said Kyrgyzstan was seeking development of active economic cooperation with Turkey, Iran, India and Pakistan, the countries so very close to the republic.

"Middle Asia is a complex region surrounded with such intensive centers of conflicts as Afghanistan, Tajikistan, Jammu and Kashmir," Otunbayeva said. She added that Kyrgyzstan could not change its historic background and should cooperate with these regions and try to contribute to resolving the old conflicts.

Speaking about Russia, Otunbayeva said that the Russian real foreign policy was much wider than it was in the concept. She said Russia proclaimed itself as a regional power in its foreign political concept but was in fact acting as a world power on the international arena.

Tajikistan

DPRK Moves Toward 'Interstate Links'

LD0703122895 Dushanbe KHOVAR in Russian 0946 GMT 7 Mar 95

[FBIS Translated Text] Deputy Foreign Minister Todzhiddin Mardonov [name as transliterated] received a delegation from the Ministry of Foreign Affairs of the Democratic People's Republic of Korea headed by Mr. Pak Chin-po [name as transliterated] during the evening of 6 March. They discussed a number of issues connected with the preparation of draft documents which, if signed, will lay the legal basis for establishing bilateral interstate links, including between the foreign ministries of the two countries.

The delegation was also received at the republic's Ministry of Economy and Foreign Economic Relations. The sides studied the possibilities of those branches of the economy in which Tajikistan and the DPRK could establish mutually beneficial relations.

Mandate of UN Mission in Tajikistan Extended

LD0703113095 Moscow ITAR-TASS in English 1117 GMT 7 Mar 95

[FBIS Transcribed Text] Moscow March 7 TASS—Preparations for the fourth round of intra-Tajik negotiations are apparently nearing the final stage. U.N. Assistant Secretary-General Aldo Ajello's lengthy consultations with Dushanbe officials and representatives from the Tajik opposition have culminated with an agreement to extend the ceasefire until April 26 and to resume the negotiations. The date and place of the next round of talks will be decided additionally.

The United Nations is directly involved in the process of the intra-Tajik settlement. Today's ITAR-TASS report from New York says that Joe Sills, an official representative of the U.N. secretary- general, told a briefing there on Monday [6 March] that Ajello would shortly return to Moscow in order to resume consultations there with the sides concerned. In the meantime, the U.N. Security Council has prolonged the mandate of the United Nations mission of observers in Tajikistan until April 26.

An ITAR-TASS cable from Tehran says that a statement by Akbar Turandzhonzoda, the leader of the Tajik Islamic Revival Movement, was broadcast by the Iranian radio. It was made in Islamabad, where

Turandzhonzoda had met Ajello. The document says that "the opposition is firmly resolved to honour the temporary ceasefire agreement and to give the United Nations a chance to hold a new round of intra-Tajik negotiations".

It was initially planned to hold the 4th round of the negotiations in Moscow last January, but the opposition had refused to meet Dushanbe officials in the Russian capital under the pretext that their personal safety could not be guaranteed in Moscow. It is difficult to say whether a compromise will finally be found to hold the negotiations in some other CIS capital, because the opposition leaders insist that the negotiations be held outside the CIS, in one of the Islamic countries or even in Europe.

Russia adheres to a constructive stand on the intra-Tajik settlement, taking care not to impose its will on any of the sides concerned. A high-ranking official of the Russian Foreign Ministry said the other day that Moscow wanted a national reconciliation to be achieved as quickly as possible and would not obstruct the holding of talks in some other CIS capital if a corresponding agreement was reached by the participants of the negotiations and the United Nations.

Tajik Opposition Representatives Meet UN Envoy

LD0703092395 (Clandestine) Voice of Free Tajikistan in Tajik 0330 GMT 7 Mar 95

[FBIS Translated Text] The 5 March meeting in Islamabad between Professors Haji Akbar Turajonzoda and Muhammadsharif Himmatzoda, deputy leaders of the Islamic Movement of Tajikistan; and Aldo Ajello, special envoy of the UN secretary general, has ended.

According to a report from the Islamic Movement of Tajikistan's press office, the holding of the fourth round of talks between the Dushanbe regime and its political opposition was considered. The fourth round was to have been held in Moscow, but since the Russian side, through its military forces, has not observed the ceasefire agreement and the Tehran and Islamabad agreements, the opposition leaders have refused to attend talks in Moscow.

The Islamic Movement of Tajikistan has repeatedly announced that it is ready to resume the talks if Russia respects and recognizes it. The leaders of the Islamic Movement of Tajikistan claim that talks will be possible only when the Russian side confesses its mistakes, returns the opposition's weapons and ammunition caches that were stolen, and opens the roads to Badakhshan, and when the regime withdraws its forces from Darvaz.

The Russian Foreign Ministry proposed a new plan for the fourth round of peace talks between the regime and its opposition, but it has not been accepted by the leaders of the Islamic Movement of Tajikistan. In response the opposition leaders have proposed their own plan. The plan proposed by the Islamic Movement of Tajikistan stresses that if the military personnel do not participate and if they do not sign the agreement the implementation of any agreement would be threatened.

Tajikistan Admitted to UN Economic Commission

LD0603134595 Dushanbe KHOVAR in Russian 0802 GMT 6 Mar 95

[FBIS Translated Text] Tajikistan has been admitted to the UN Economic Commission for Europe. This decision was approved at a special session of representatives of the commission's member countries in response to a request from the Government of the Republic of Tajikistan.

The KHOVAR correspondent learned this from the Ministry of Foreign Affairs.

Preliminary Results of Tajik Elections

LD0603150595 Dushanbe KHOVAR in Russian 0800 GMT 6 Mar 95

[FBIS Translated Text] Preliminary results of the elections to the Supreme Assembly of the Republic of Tajikistan and the local (regional, town and district) assemblies of people's deputies. [sentence as received]

Eighty-five per cent of the electorate participated in the elections held on 26th February 1995. The voters were most active in Leninabad Region, with 90 per cent participation, in the Hatlon Region—90 per cent, and Gornyy Badakhshan Autonomous Region—85 per cent. In the districts which are directly subordinate to the republic voting activity was between 74 to 100 per cent: in Tajikabad district it was 100 per cent, in Gharm it was 97 per cent, in Komsomolobad 96 per cent, in Rogun 94 per cent, in Kofarnihon 87 per cent, and in Nurek 74 per cent. The lowest activity was registered in the city of Dushanbe, where it was 61 per cent.

According to the preliminary data, as a result of the elections of people's deputies to the republic's Supreme Assembly held on 26th February 1995, 90 per cent of the total number of deputies have been elected. A repeat ballot is to be carried out in 9.2 per cent of the constituencies, and the repeat elections to be held in 0.8 per cent of them.

Four parties registered by the Ministry of Justice of the Republic of Tajikistan: the Communist Party, the People's Party of Tajikistan, the Party of Economic Revival and the Party of Unity and Accord are represented by deputies. A large number of deputies are not party members.

Candidates were put forward from political parties, councils of people's deputies and enterprise workforces. During the pre-election campaign 400 candidates were nominated in 182 constituencies. Of these, 11 were nominated in nine constituencies of Gornyy Badakhshan

Autonomous Region, 107 in 59 constituencies of Leninabad Region, 142 in 56 constituencies of Khatlon Region, 56 in 19 constituencies of the city of Dushanbe, and 75 in 38 constituencies in the districts under republican subordination.

There were 350 people registered as candidates to the Supreme Assembly of the Republic of Tajikistan. The majority were included on secret ballot-papers.

The main result of the election campaign is that the absolute majority of the voters have taken part in the ballot, and that the elections to the supreme body—the Supreme Assembly—and local representative bodies are valid. This will allow all branches of legislative power in Tajikistan to work fruitfully.

Conduct of Elections Faulted

954F1644B Moscow NEZAVISIMAYA GAZETA in Russian 28 Feb 95 p 1

[Article by Oleg Panfilov: "Democratic Elections Have Been Held: Deputies From Russia, Kazakhstan, and Uzbekistan Acted as Foreign Observers"]

[FBIS Translated Text] Despite the protests and threats of the OSCE and the European Union not to recognize the elections to the Oliy Majlis (Supreme Assembly), the authorities of Tajikistan went ahead with this measure on 26 February, termed nationwide on this occasion also. Inasmuch, evidently, as European standards cannot be applied even approximately to Tajikistan, as, equally, to the methods of the preparation and organization of the elections either, members of the CIS Interparliamentary Assembly were sent to Dushanbe as observers in place of the international organizations. By the latter half of Sunday even the press agencies were reporting a turnout of more than 70 percent. It was also reported that these elections were being held on a multiparty basis, which, in fact, is far from the truth, it being for this reason that the OSCE and the EU had declined to send their observers.

Two parties—the Communist Party and the People's Party—took part in the elections. The first had always kept its name, structure, and goals (its leader, Shodi Shabdolov, declared in the fall of 1993, for example, that the communists had fought in the civil war with weapon in hand, defending the ideas of socialism). The second was organized by Abdumadzhid Dostiyev, deputy chairman of the Supreme Council, on an area basis and in the likeness of the Communist Party, copying its structure and, to a large extent, its tasks and goals. A third party, which had begun to nominate its candidates—the National Unity Party—was organized by Abdumalik Abdulladzhanov, former premier and recent ambassador of Tajikistan in Russia. But a week before the elections its Political Council made the decision not to take part in the elections inasmuch as the authorities were preventing the registration of Abdulladzhanov himself and also his supporters. Furthermore, this party applied to the Supreme Court, demanding the restoration of justice in the registration of its candidates. The meeting of the collegium of the Supreme Court on 23 February dismissed the complaints of Abdulladzhanov's supporters.

It is known even now that among those elected deputies will be Communist Party Chairman Shodi Shabdolov, who was nominated in his homeland in Badakhshan, Abdumadzhid Dostiyev, chairman of the People's Party, Abdudzhalil Khamidov, chairman of the Leninabad Oblast Executive Committee, and Sayfuddin Turayev, presidential candidate at the 1991 elections, and also several commanders of the People's Front—Gaffor Mirzoyev, commander of the National Guard (better known among criminals by the nickname "gray-haired one") and also Kurbon Cholov, the commander of the Kulyab MVD Spetsnaz, who has a criminal record, Khudzha Karimov, and Subkhon Yerov. It is known also that Kozidavlat Koimdodov, former first secretary of the Khorog City Committee of the Communist Party and recent deputy chairman of the Supreme Council, and Alimakhmad Niyazmamadov, the present head of the oblast administration, and also several neutral and opposition public figures have been elected deputies for Badakhshan besides Shabdolov. It should be mentioned that in the Garm District Gaffor Mirzoyev, who in 1993-1994 conducted punitive operations against the population in these parts, was nominated as a candidate and elected....

As far as the size of the electorate is concerned, Dushanbe did not even bother on this occasion, as at the previous presidential election, to say anything about the hundreds of thousands of refugees in countries of the CIS, Afghanistan, Iran, Pakistan, and other countries. No attempt even was made on this occasion to organize polling stations at any embassy—in Moscow, Almaty, Bishkek, or Ashgabat, it being known in advance, evidently, that the refugees would hardly vote for Dushanbe's nominees. The authorities thus deprived more than 30 percent of the electorate of the right to take part in the formation of the new legislative body.

Rakhmanov on Political, Economic Concerns

954F1645A Moscow ROSSIYSKAYA GAZETA (EKONOMICHESKIY SOYUZ Supplement) in Russian 25 Feb 95 pp 1, 6

[Interview with President Emomali Rakhmanov by unidentified ROSSIYSKAYA GAZETA correspondent; place and date not given: "A Smart Enemy Is Better Than a Stupid Friend"]

[FBIS Translated Text] [ROSSIYSKAYA GAZETA] Mr. President, the Republic of Tajikistan is on the eve of parliamentary elections. How is the election campaign going and how are the various political forces preparing for the elections?

[Rakhmanov] The preparations for the elections to the Majlisi Oli are proceeding in accordance with the law of the Republic of Tajikistan "On Elections to the Majlisi Oli of the Republic of Tajikistan."

According to the preliminary data of the Central Commission for Elections and Referendums, 398 candidates have been nominated for the 181 seats in the new parliament, of whom 31 are from political parties registered in the republic in the established procedure.

As can be seen from the above figures, the coming elections will be held on a multiple-choice basis. Subjects entitled to nominate candidates for people's deputy have actively availed themselves of their right and have displayed the maximum of effort to ensure that all political forces and the most deserving people enjoying authority not only among the population of various regions but of the country as a whole be represented in the parliament of the Republic of Tajikistan. I hope that people who have a profound knowledge of the problems of Tajikistan and who can secure the republic's emergence from the all-embracing crisis will become a part of the supreme organ of legislative power.

[ROSSIYSKAYA GAZETA] What is your policy in relation to the opposition?

[Rakhmanov] I have always believed and continue to believe that in a democratic society the existence of a constructive political opposition is simply essential. There is, incidentally, the Tajik saying: "A smart enemy is better than a stupid friend." Our policy in relation to the opposition is this: We are prepared to cooperate with all political forces in the republic and outside if their actions do not conflict with the Constitution of the Republic of Tajikistan and international standards and if their goals and tasks are aimed at a strengthening of the sovereign Tajik state and the country's extrication from the political and economic crisis. It is at this that all our efforts are aimed, and we are prepared to consider and put into practice an intelligent proposal moving in this direction, from whomever it emanate.

[ROSSIYSKAYA GAZETA] Will there, in your opinion, be a fourth round of inter-Tajik negotiations in Moscow?

[Rakhmanov] I would like first of all to convey to the readers of the esteemed ROSSIYSKAYA GAZETA that we began the negotiating process immediately following the historic 16th session of our parliament held in Khudzhand. I am, on the whole, satisfied that our efforts are producing certain positive results.

It is promising that we were able to sign an agreement on a cease-fire and the termination of other hostilities. It is now a question of how the parties fulfill the commitments they assumed in accordance with this agreement.

For our part, we unequivocally confirm our commitment to the spirit and requirements of the agreement.

Political dialogue and negotiations are the sole way of achieving peace, stability, and national accord in our country.

We are profoundly interested in the speediest and successful completion of the inter-Tajik negotiations, which are taking place under the aegis of the United Nations.

I recently sent UN Secretary General Butrus Butrus-Ghali an official letter in this connection on his availing himself of the opportunities for the fourth round of the inter-Tajik negotiations to be held as soon as possible in Moscow.

[ROSSIYSKAYA GAZETA] How is your edict on the voluntary surrender and confiscation of weapons among the populace going?

[Rakhmanov] The people who were formerly forced to take up arms to restore and defend the constitutional system have handed in their weapons in organized and voluntary fashion. This has been the case in Tursunzadevskiy, Shakhrinauskiy, Gissarskiy, and certain rayons of Khoglonskaya Oblast. Many people purchased weapons for self-defense and now, with the stabilization of the situation, are getting rid of them, tossing them where the forces of law and order patrol. Some of the weapons in the possession of the population have been uncovered and confiscated operationally. In the period since 2 December 1994, when the edict was issued, more than 2,500 firearms have been handed in voluntarily and confiscated, as were more than 8,000 in the period 1994-1994 altogether.

The result is to hand, as they say. The number of crimes committed with the use of firearms declined more than fourfold in the republic in 1994 compared with the previous year. However, as long as just one gun remains in the hands of criminals, we do not have the right to complacency and intend to act decisively.

[ROSSIYSKAYA GAZETA] What is your view of the migration processes in Tajikistan?

[Rakhmanov] Migration of the population is a natural process in any country. That with the disintegration of the USSR this process assumed a one-sided character with us at the onerous time of civil war in Tajikistan is another matter. The outflow of the European population has slowed. These are experienced, needed specialists and skilled workers, as a rule.

There is one further point, which I always feel very keenly. People are leaving their native haunts, leaving their homes. This is very hard. In order to stop the departure of our fellow citizens we need to stabilize the political situation and raise the living standard. And we are doing everything possible to achieve this.

I am heartened by each instance of the return of families that had previously left our republic. More than 6,000 persons returned from Russia last year. I believe that life will ultimately get back to normal in Tajikistan and that peace, tranquillity, and mutual understanding will be established here.

I have always been a supporter of a policy in national and internation relations where all citizens of Tajikistan, of whatever nationality they are and to whatever faith they adhere, feel themselves to be free and perceive the state's real concern to satisfy their national needs. It is such a policy that we are pursuing at this time. We plan in the very near future, for example, the opening here of a Slavic university. We have many other good intentions also.

[ROSSIYSKAYA GAZETA] Since having assumed office, you have maintained repeatedly that your goal is to enter the ruble zone and to seek the unification of the monetary systems of Russia and Tajikistan. How, in this case, do you explain your recent statement on the need for the introduction of a national currency in Tajikistan?

[Rakhmanov] We are continuing to work with the leadership of the Russian Federation on Tajikistan's entry into the "ruble zone" and are convinced that this work will culminate successfully. But the actual situation in the republic and other countries of the CIS makes the introduction of a national transitional currency essential. This is an obligatory condition that the Russian side has put forward for further negotiations on entry into the "ruble zone."

This is understandable, since the real correlation of the monetary units of Russia and Tajikistan with regard to the money supply in bank accounts can be determined at the time of operation of the transitional currency. This can be done by way of auctions at the currency exchanges that we propose to create.

The detailed elaboration of the mechanism of entry into the "ruble zone" will continue for the particular length of time that the transitional national currency functions.

[ROSSIYSKAYA GAZETA] How do you evaluate the development of partner relations with Russia?

[Rakhmanov] If we are speaking of the focus of the development, relations with Russia are being built in accordance with the Friendship, Cooperation, and Mutual Assistance Treaty between our two countries that was signed in May 1993. At last year's meeting with President of Russia B.N. Yeltsin we confirmed our intention to develop relations in the political, economic, cultural, and other spheres in the channel of this treaty. And evaluating the results in particular spheres of cooperation, I believe that the level of relations between our countries is higher than partner relations.

Operating within the framework of the Collective Peacekeeping Force and providing in the Tajik-Afghan sector for the protection of the CIS' southern borders, Russia is acting as a real guarantor of stability in Tajikistan and the Central Asia region as a whole. It was Russia's active support that enabled us to embark, finally, on peaceful building and the restoration of the economy and, consequently, on the practical creation of the conditions for the development of relations of partnership in all other spheres, economic primarily.

In fact, the nature of relations in this sphere is determined not so much by the position of the parties—these positions are defined in the treaty—as by the possibilities of our two countries which actually exist at this stage and which are potential. Russia is to the best of its ability prepared, as far as I know, to continue to render Tajikistan assistance in the resolution of problems of socioeconomic development.

But if we are speaking of partnership as equal cooperation, Tajikistan has still to negotiate the main part of the route in the formation of relations on this basis. It depends on us alone whether our country becomes a truly dependable partner. At all levels, what is more—at both the interstate level and in the state's relations with individual major entrepreneurs and in the realization of contracts between the businessmen of our two countries directly.

In this context I would distinguish two interrelated tasks, on whose accomplishment we have embarked—ensuring the solvency and seeking the compatibility of the mechanisms of economic mutual relations between the corresponding agents. The concentration of export potential in the hands of the state and the creation of currency reserves on the one hand and the utmost forcing and development of the structures of the free market in Tajikistan on the other—such is the purpose and main content of the package of edicts that I have issued as of late. Their implementation will make it possible to impart real weight to the guarantees that our government gives when contracts are concluded.

At the same time, on the other hand, the bilateral relations of Tajikistan and Russia cannot be seen in isolation from the processes that are occurring throughout the post-Soviet space. An objective basis for the further integration of the countries of the Commonwealth of Independent States has not ceased to exist, the ultimate interests of the peoples in one way or another coincide, and the presence of the political will to a unification of the efforts of the states is borne out not only by the statements but also by the practical actions of the leaders of the majority of countries that were a part of the USSR. From this viewpoint I would evaluate the development of the partner relations of Tajikistan and Russia has having big prospects.

Shodmon Yusuf, Rakhmanov Meeting Reported

954F1644A Moscow NEZAVISIMAYA GAZETA in Russian 23 Feb 95 p 2

[Article by Oleg Panfilov: "Shodmon Yusuf, Who Is Under Investigation, Wants To Return to Dushanbe: The Authorities Are Imparting a Democratic Nuance to Their Legitimacy"]

[FBIS Translated Text] The press agencies have reported the sensational news of a meeting between Emomali

Rakhmanov and Shodmon Yusuf, chairman of the Democratic Party of Tajikistan, which is alleged to have taken place on 20 February. Observers, who are unaware of the underlying motives of this meeting, are already inclined to believe that everything is being made ready in Tajikistan for political changes.

Shodmon Yusuf showed up in Moscow on 27 January, having left Tehran, where he had been taking refuge from the Tajik authorities since the start of 1993, when the Democratic Party was officially banned in the republic and criminal proceedings were instituted against its chairman. In Tehran Shodmon Yusuf stayed out of politics, but he did write a book, in which he "exposed" the imperial policy of Russia and Dushanbe's antipopular regime.

Shodmon Yusuf would periodically manifest activity in the dissemination of articles and interviews exposing Moscow and Dushanbe, simultaneously declaring that he was switching from the Sunni's to the Shi'ites (the Tajiks are Sunni's, the majority of Iranians, Shi'ites), but this did not add to the loyalty shown Shodmon Yusuf on the part of the Iranian authorities. On the contrary, last November he was arrested by the Tehran police, accused of a violation of passport procedures. A month prior to this Shodmon Yusuf suddenly recalled politics and disseminated, as a surprise to all, several statements, in which, first, he accused the leadership of the opposition of extremism and, second, welcomed the presidential elections as a manifestation of democracy in Tajikistan. At a meeting at Tehran's Lola Hotel on 18 October he sided with the leaders of other opposition currents, declaring that the common leader was Said Abdullo Nuri (present at this meeting were Davlat Khudonazarov, who had flown in from Paris, Tokhir Abdudzhabbor, Said Abdullo Nuri, and Shodmon Yusuf). But just two days later Shodmon Yusuf changed his opinion, once again accusing the opposition, which, some participants in this meeting believe, was connected, rather, with Shodmon's hope of obtaining some position.

But there is also another, weightier reason for the latter. At a meeting with Russian journalists last November Sergey Tretyakov, ambassador of Russia in Iran, insistently proposed that they meet with Shodmon Yusuf, trying to persuade them that the latter had changed his views. An embassy staffer later conveyed to journalists two telephone numbers for Shodmon. Ultimately Shodmon Yusuf declared that he would take part independently in the fourth, Moscow, round of negotiations with the government, for which the Russian Embassy issued him a passport for overseas travel (it was this that was the reason for his arrest, the authorities of Iran believing that you can leave the country, but on the same passport by which you enter). A recent sensational act of the leader of the Democratic Party was the statement in which he congratulated Emomali Rakhmanov on his election as president and called him a "shining light." In response the associates of the present political emigre held a special congress in Almaty and removed Shodmon Yusuf from the party leadership.

Russian diplomats had already realized that they had been banking on Shodmon to no purpose and refused to pay for his travel to Moscow. For three weeks the latter waited for a special invitation from Dushanbe, hoping that it would have forgotten his statement of 20 December 1993: "No negotiations or accords with the Rakhmanov regime are acceptable.... As a result of the criminal military actions of the present authorities approximately 300,000 persons have died a martyr's death, thousands of totally innocent members and supporters of Tajikistan's democratic opposition are in the regime's torture chambers and special concentration camps of his gangs, more than 1 million persons have become refugees, the republic's economy has been razed to its foundations.... All this deprives anyone at all of the right to sit down at the negotiating able with this criminal and essentially treasonous regime."

The quiddities of Shodmon Yusuf are well known in Dushanbe and in Moscow and in Tehran. Yusuf has declared, for example, that there are 2,000 armed fighters under his command in the north of Afghanistan and that he has several thousand party members in Iran alone, offering in Moscow even his supporters high state office on his return to Tajikistan. But Dushanbe now needs such a person, evidently, by "showing" whom it can talk about democratization.

Returning to the start of the article, I would observe that, as your NEZAVISIMAYA GAZETA correspondent managed to ascertain, first, if the meeting did take place, the other party was not President Rakhmanov but his representative and, second, the meeting was not held within the embassy.

Uzbekistan

Karimov Address on State Policy

LD0703082795 Tashkent NARODNOYE SLOVO in Russian 24 Feb 95 pp 1-7

[Speech by President Islam Karimov at opening of the new session of the Uzbek Supreme Assembly in Tashkent on 23 February]

[FBIS Translated Excerpt] Esteemed people's deputies! Dear friends! First of all, allow me to congratulate warmly all of you who have won the trust of your people, on your election to the Supreme Assembly [Oliy Mazhlis] of the Republic of Uzbekistan.

I think today's forum will go down in our memory as an important event because you have been elected members of parliament in Uzbekistan's first multi-party election. [passage omitted]

1. DEMOCRACY IS OUR MAIN ROUTE

Esteemed friends, despite our obvious achievements, we have no cause for complacency. We have only just begun laying the foundation of a new house where we shall live in the next century. The time has come to draw up and implement a long-term, comprehensive program "Uzbekistan at the beginning of a new century." This program should reflect the present and future interests of each of our citizens, each of our compatriots. [passage omitted]

Democratic institutions should reflect the mentality and cultural characteristics of our people. It is known that the Western pattern of democracy is based on the philosophy of individualism and excessive politicization of the masses.

On the other hand, the Eastern concept of democracy is based on the principle of collectivism, paternalism and pre-eminence of public opinion. The democratic process is developing under the influence of such characteristics of our people as law-abidingness and the supremacy of moral and spiritual principles in political relations. [passage omitted]

Thus, esteemed friends, we are willing to build a democratic, fair, civil society. This is our strategy. This is our general concept of national development. But it is no less important today to define the stages and to outline the concrete measures, which will be required to achieve the goals we have set ourselves.

I will detail the most important of them.

First. It is necessary to adopt some laws creating an effective system for ensuring a reasonable balance in society in terms of social status and property. [passage omitted]

Second. We need a system of laws forming the legal foundation for the work of the state bodies on all levels. [passage omitted]

Third. The success of the economic and especially of political reforms largely depends on the competence of executive staff, as well as on their willingness and ability to implement changes. Therefore, there is now an acute need for a law on the status of civil servants. [passage omitted]

Fourth. [passage omitted] Today we need not just one law but a whole system of laws expanding the rights of public associations, foundations and unions, defining their place and role in the political system of society and increasing their influence in matters of state importance.

Fifth. The state's role in running the economy is changing drastically in conditions of the market. [passage omitted]. In the legislative sphere, special attention should be given to defining the responsibilities of managerial bodies and eradicating arbitrariness and subjectiveness in decision-taking. This provides enormous scope for the activities of the Supreme Assembly.

Sixth. All our reforms in economy and policy are both built upon and aimed at people. Therefore, educating and bringing up a new generation, capable of implementing the idea of a national revival, will remain the responsibility of the state and one of its priority tasks. [passage omitted]

Seventh. [passage omitted] The idea of defending human rights should be constantly present in the activities of the Supreme Assembly. [passage omitted]

At the same time a fair question arises: what is the difference between the old Supreme Council and the Supreme Assembly? In our opinion, first of all the deputies were elected on a multi-party basis for the first time. Two or three candidates stood for the post of deputy in every constituency, and the voters were given the real right to choose candidates.

The multi-party principle should also be introduced into the work of the Supreme Assembly. I think it is necessary to legalize the activity of party factions. Through them it will become possible for the corresponding parties to influence the legislative process and thus to make a worthy contribution to the administration of the state.

Political compromise should become the main principle ruling the work of the Supreme Assembly. This approach is based on a new interpretation of the theory and practice of state administration and law. [passage omitted]

We hope that the new Supreme Assembly will take an active part in international politics. In order to have this important aspect of work organized, it would be appropriate to set up a special committee for interparliamentary relations at the Supreme Assembly.

II. DEMOCRATIZATION OF ECONOMIC RELATIONS IS THE MOST IMPORTANT PREREQUISITE OF MARKET REFORMS

Esteemed friends! Before we start discussing the economic reforms to be implemented at the new stage, it would be appropriate to look back on what has been done already. [passage omitted]

Thanks to a number of measures aimed at cutting the expenditure of the federal budget, it proved possible in 1994 to reduce the budget deficit, make the rate of inflation considerably lower, gradually fill the market with goods and introduce free prices in the sphere of trade.

Signs of stabilization and growth have become noticeable in the economy. [passage omitted]

The most urgent task at this stage is a radical transformation of the ownership relations. This means speeding up the process of transferring property to those who will own it in the true sense of the word, opening up various opportunities for entrepreneurial activities and instilling the appropriate mentality in the new property owners. [passage omitted]

Strengthening the economy, restraining inflationary processes, creating competition in the goods and services markets, ensuring the growth in GDP, bolstering the balance of payments, improving management and deepening the administrative changes - all these problems are complicated, but they can be resolved. To achieve all this, it is necessary:

- first: to reduce sharply the government support for state-owned enterprises allocated from the federal budget and to limit state subsidies;

- second: to improve the tax policy; [passage omitted]

- third: to use free market prices as a method of distributing resources and to increase their role; to introduce free prices in all industries, including energy resources, food and other products;

- fourth: it is necessary to restrict the distributive role of the state and to sharply reduce the state order for industrial crops, including cotton and grain, in the next few years. [passage omitted]

A vital goal of the economic and social reforms currently under way in our country is the strengthening of our national currency, the som, which is both a product and a measure of all our reforms. A lot has been done in this sphere. I am convinced that our currency will become convertible in 1995. [passage omitted]

III. HIGH MORAL STANDARDS ARE THE FOUNDATION OF THE FUTURE

Dear friends! As we embark on the second stage of economic reform, we need to define our tasks in the sphere of culture and education. [passage omitted]

Religious leaders should make a great contribution to the moral upbringing of our people. [passage omitted]

IV. GUIDELINES FOR ENSURING NATIONAL SECURITY

Esteemed people's deputies! The main task of our time is to strengthen Uzbekistan's independence, so that our country might take a worthy place within the framework of the world economy and in the international community.

In this connection it is a highly pressing matter to devise a comprehensive concept of national security for our republic, and to enshrine in law the principles on which it is based.

It goes without saying that the fundamental aspects of this matter are already set down in the Constitution and in the laws of the Republic of Uzbekistan, and other legal documents dealing with defense. However, ensuring national security calls for a comprehensive approach. Such security is achieved only through the conduct of a unified state policy and the operation of a system of activities covering the economic, political, organizational, military, and juridical spheres, among others.

While speaking of a concept and a systematic approach to national security, we have to hold a clear view of the distinguishing features of the modern era and of Uzbekistan's place and role in the modern world. Formerly there were two leading powers—the USSR and the United States—and there existed two ideologically opposed systems, two blocs. World security was founded on a balance between these two blocs. Following the collapse of the USSR, there dawned a new period which was highly complex and fragile. Its main features were the following:

First, equilibrium was destroyed in the system of interstate relations. Divisions, both political and economic, arose in the world. Whereas before there had been two centers of power, the situation had now changed and it had become a multipolar world.

Second, inequality of ownership in the world is running ever deeper as the divide grows between the industrially developed and the developing countries. This is evident with regard to the distribution of the world's resources. Even though natural resources are concentrated in the main in the developing countries, it is the countries with a highly developed industry which are striving to establish control over these riches and grab them for themselves.

And of course there is also a huge difference in levels of scientific and technical knowledge, as well as in technology, and in the accruing and disposal of free capital.

Third, direct threats to the very existence on earth of mankind as a species are not diminishing; on the contrary, they are on the increase. What I have in mind is the threat of all-out nuclear war, the ecological crisis, and biogenetic degeneration.

Fourth, progress in computerization and communications, and the deepening of integration throughout the world is bringing about a change in people's view of the world and in the desire of peoples, countries, and regions for closer unity.

The importance of international organizations—both interstate and nongovernmental—is growing. At the same time, as a transition to a new world order occurs the need for a reform of their activities becomes ever more urgent.

The questions arise of why this is necessary. The answer is simple. All authoritative international organizations currently functioning were set up at the time of a bipolar world. All the activities of these organizations were primarily directed at maintaining the balance and at reconciliation. The situation today requires international organizations to turn their attention to the major problems, first and foremost a fair and honest attitude to all. They have to provide an appropriate reflection of today's realities and effectively serve the needs of the members of the world community.

Fifth, in the modern world the place and role of any country is determined above all by its ability to get to grips with modern technology and put it to use.

If we are to draw conclusions from these points, then it becomes obvious that in Uzbekistan we have to put the transitional period behind us as soon as possible. The republic has to lock in as soon as it can to the process of world cooperation. If there is to be a new world order based on international law, then in that too Uzbekistan must occupy a worthy place.

So far I have only listed the difficulties, but permit me now to dwell briefly on the conditions favorable to Uzbekistan's taking a worthy place in the world community.

First, our state has an extremely advantageous geographical position, located as it is at the center of the region's transport and autonomous energy and water systems.

Second, it is ahead of its neighbors in the region in terms of size of population, scientific and technological potential, and other capabilities.

Third, our republic enjoys unique natural and climatic conditions, and has an ancient farming culture, and mineral and raw material resources. This enables us to aim for self-suffiency in food and for the production and export of valuable agricultural crops. We have all the conditions for producing high-quality, ecologically clean fruit and vegetables, which would be competitive on the world market, as well as products derived from them.

Fourth, our state also has oil, petroleum products, and gas; in a word, it has those industries which form the basis of economic activity. Uzbekistan has every possibility for increasing its economic potential.

Fifth, Uzbekistan occupies a significant place in human civilization. Our land has a rich spiritual heritage and exercises a powerful influence on spiritual and political processes, not only in the region but throughout the world.

In the light of these factors, Uzbekistan can on all counts attain a lofty position in culture, science, technology, and economics, and could become a center for integrating processes in Central Asia.

Of course, there are a number of difficulties along this road. If we consider the matter from the geographical and strategic viewpoint, we see that the communications system in Central Asia has been developing along the wrong lines and its structure has been largely destroyed. This is the first point.

The water resources in Central Asia are limited and the influence of the ecological disaster in the Aral region is making itself felt. This is the second point.

Third, there is no organized security system in the region. Here it is impossible not to take into consideration the fact that there are some powerful countries surrounding us, whose interests are at odds with each other, and some political forces vying for influence.

Fourth, we cannot fail to note that it is in our region that the incompatible interests of certain powerful countries in the Muslim world may clash. Furthermore, there are third world countries around us which suffer various ethnic, economic, and other difficult problems. Two of today's seats of instability and danger—Afghanistan and Tajikistan—are also located in this region.

There is one other factor which has intensified these problems and, to some extent, has made it difficult to resolve them. This is a legacy of the Soviet system, the artificial division of the nations and ethnic groups living in this single land called Turkestan, which were divided by those who wanted to rule them.

Esteemed friends!

Such is the general strategic picture of the international situation. We should take our own deserved place in the world community, build our own statehood, and strengthen our independence in this complex world, which is filled with contradictions. In this connection, it is very important to define and implement the guarantees of stability and state security in the region.

In my opinion, they consist of the following.

First, Uzbekistan should find its own niche in the world community and in the international security system. For this purpose it is necessary to ensure that our republic takes an active part in the work of various international organizations, both interstate and nongovernmental, first and foremost in various bodies of the United Nations and the OSCE. [passage omitted] We know that the UN today stands on the threshold of being reformed. I would like to take the opportunity, during the presence of foreign guests in this hall, to make the point that Uzbekistan favors the UN being transformed into a collective instrument for global peace and stability. Our republic supports the idea of an in-depth reform of the UN's management bodies and specialized agencies. I am convinced that this will strengthen their role in coordinating efforts among states to resolve national, regional, and world problems.

Uzbekistan's participation in the OSCE structures needs to be broadened. With regard to regional security, broader use needs to be made of the opportunities offered by that organization, its links to the North Atlantic Cooperation Council, the European Union, the Council of Europe, NATO, and other organizations. [passage omitted]

We need to take an active part in the activities of the Non-Aligned Movement, the Islamic Conference Organization, and other international organizations of standing.

Second, an important aspect of ensuring national security is creating a network of solid interstate agreements in order to form an effective political space. The greater the number of countries with which Uzbekistan maintains relations of friendship and of constructive dialogue and cooperation, the higher our guarantees of security. Uzbekistan has so far been recognized by 125 countries around the world. Our republic has diplomatic relations with 84 countries. Literally just a few months after the proclamation of independence, the first official foreign visit by the leadership of our republic took place. This was a visit to Turkey. Subsequently official delegations from our republic have visited the Germany, France, Austria, the Netherlands, Britain, China, India, Saudi Arabia, Egypt, Indonesia, Malaysia, Iran, Korea, Japan, and several other countries in Europe and Asia. During these meetings, treaties and agreements have been signed on economic, scientific, and cultural cooperation. Bilateral and multilateral ties have developed with the newly independent states.

I am convinced that the systematic conclusion of these agreements and treaties will enable us to create a ring of security, trust, and good-neighborliness around Uzbekistan.

Third, one guarantee and condition of security is the undeviating observance of interstate agreements already concluded. In this area we must do nothing which might bring reproach or criticism upon us. Only if we ourselves act in this way can we require states cooperating with us to comply with their obligations.

This principle becomes a vital one when dealing with such important areas as human rights, the rights of national minorities, and the observance of the principles of non-interference in internal affairs and peaceful coexistence.

This also plays an important part in relations among the newly emergent states. In the three years or more that the Commonwealth of Independent States has existed, several hundred agreements and treaties on a variety of issues have been adopted. However, it is a matter of regret that the majority of them have simply remained on paper. For this reason there have been instances in which several decisions were made on one and the same issue, and this has simply impeded the further development of relations among our countries and the establishment of friendly ties leading to mutually beneficial cooperation.

Fourth, an important security guarantee lies in complete de-ideologization of foreign policy. Uzbekistan has been building and will continue to build its relations with countries throughout the world, on all continents and regions, exclusively on the basis of the rules and universally accepted principles of international law, irrespective of the ideological superstructure of those states. [passage omitted]

In interstate relations there should be only one ideology—that of the supremacy of law enshrining the principles of peaceful coexistence, respect for sovereignty, and a desire for cooperation, tolerance, and a multiplicity of views and opinions.

Fifth, Uzbekistan, as a nonaligned country, has no intention of participating in any blocs. We see in this an important guaranree of national security. At the same time, we are always ready to cooperate with blocs if such cooperation favors the cause of peace, security, and cooperation among countries and peoples, and serves to strengthen Uzbekistan's national security. It is apposite to recall that in July 1994, Uzbekistan signed NATO's "Partnership for Peace" plan, which is directed toward fostering cooperation for the creation of a broad system of collective security.

Sixth, Uzbekistan's participation in the collective security system of the CIS countries is an important guarantee of stability and peace in the region. Security in our time can only be on a collective basis. Such an understanding of security is necessary, not only because of the limited capabilities of each state taken on its own, but also for moral and political considerations. It is of great importance for states to combine their efforts and individual capabilities for the sake of security. It is evidence, first of all, of an absence of tensions among the participants in a system of collective security, and second it demonstrates that they have their sights set on integration.

It is precisely for this reason that Uzbekistan was among the proponents of creating a collective security system in the region and in the area that was formerly the USSR. It is no accident that one of the first agreements on collective security within the CIS was signed here, in Tashkent, in 1992. A package of documents covering this important matter was signed early this month in Almaty.

It has to be noted that in the system of collective security, an exceptionally important role belongs to the Russian Federation. Russia always has been and remains a great power, both economically and in the military and technical sense. For this reason Uzbekistan strives for cooperation and even closer links with Russia in creating a collective security system, and on the whole question of integration within the framework of the CIS, as well as in strengthening ties and establishing strategic cooperation. It is worth noting that such closer ties are in the national interests not only of Uzbekistan but of Russia, too, because it has always been a priority interest for any state to enjoy a stable state of affairs and partnership with a close neighbor.

Account also needs to be taken of the interdependence of economic life in our countries and of the nature of inter-ethnic, cultural, and scientific and technical relations.

In creating a collective security system we have to take into account that, alongside the military threat to security, a large number of other threats also exist. These take the form of the evaporation of the Aral Sea, the deterioration of the ecological situation, organized crime, drug dealing, the exhausting of limited mineral resources, and so on. To deal with practically all these problems is something beyond the capabilities of individual states, and it is this first and foremost which dictates the need for combined efforts. It is in this sense that our republic needs to become actively involved in the systems of collective security created under the aegis of the United Nations and the OSCE, and of other international organizations of standing.

Seventh. Close and comprehensive integration with our closest neighbours, the states of Central Asia, is a prerequisite for national security.

The common nature of the historical destinies of our peoples is an important foundation for constructive cooperation and mutual understanding between our countries.

Unfortunately, some political circles, which are opposed to amalgamation in the Central Asian region, are spreading fabrications—slander of various kinds that is meant to foster discord among us.

I want to say to those people that the peoples of Central Asia have nothing to quarrel about. We have the same aims and a common future. We have no ethnic tension and no insoluble contradictions of any kind. The successful advance along the path of integration is clear confirmation of that.

Eighth. Our army, the armed forces and our military doctrine constitute an important guarantee of the state's security.

We have based our foreign policy on the principle of peaceful coexistence and the principle of the non-use of force or the threat of the use of force in resolving international issues. Uzbekistan wants to see the Treaty on the Non-proliferation of Nuclear Weapons, which is due for renewal in 1995, turned into a treaty on their abolition.

We want to see the adoption of a treaty banning biological weapons along the lines of the chemical weapons treaty.

In short, Uzbekistan is prepared to back any initiative—any one, even the slightest attempt—that is designed to prevent the very possibility of war or military conflict.

There are friends in the troubled world around us, but there are also those who would like to draw Uzbekistan into their sphere of influence. To that end, they may use any available methods, including military methods. We must, therefore, have a mobile, well-trained and well-equipped army, able to guarantee the defence of our borders, our independence and our sovereignty.

That is why we must constantly strengthen the republic's economic potential—the basis of our Motherland's defensive might.

A number of military training establishments have recently been formed in Uzbekistan, intended to carry out the training of highly skilled officers for priority kinds of troops. Measures have been taken to strengthen the technical level to which the army is equipped. Despite the economic difficulties, the country will continue to allocate the necessary resources so as to maintain its military potential. Our military doctrine has a defensive, preventive orientation. That is why Uzbekistan is prepared to take part in peacekeeping operations to maintain the peace, conducted under the auspices of the UN and the OSCE.

The national security system must ensure foresight and the ability to adopt preventive measures to anticipate threats and neutralize them. That is why we need to develop a network of research and information-analysis centres and institutions.

A Security Council, a consultative body of the highest state officials, may be such an institution. It is expedient to create a Security Council under the president of the republic.

The Security Council must carry out in-depth processing of all matters connected with national security problems, ensure that they are coordinated and take responsibility for that.

The Council's tasks are varied and complex. It must be responsible for working out national security priorities and the principles of state policy in that area. Integrated programs to ensure the security of the individual, society and the state will be formulated and implemented under the command of the Security Council.

Ninth. In the modern world, the stability of the state is ensured by relying on society's socio-psychological, spiritual-moral, cultural and historical roots.

In this important area, we must draw as much as possible on the spiritual potential of the East and the philosophy of Islam, which urge unity, the peaceful coexistence of peoples, and tolerance.

The ideas of peace, harmony and cooperation are noble ideas that are pleasing to all people on Earth.

Esteemed deputies.

The basis of the republic's national security is formed by its young people. The young are our support, our hope for the future, those who will continue our noble endeavours. We all live and work for the happiness and the future of our children. On what the young people will be like depends not only our security, but also whether the idea of national revival will be implemented and the flourishing of our state ensured.

Our children must be better than us, purer than us, nobler than us. They must grasp the attainments of worldwide civilization and have a deeper knowledge of our history, culture and the legacy bequeathed to us by our great ancestors.

In this we see our main strength and our future, and the purpose of the society that we are building.

Dear friends.

A new period has begun in our people's history. The path of our Motherland's development has been specifically determined. That path has been acknowledged by the actual people, which cast its votes for independence, for a sovereign Uzbekistan, for market relations and, in general, for fundamental reform, and which has supported all this. The unanimity and like-mindedness of the people constitute a great victory for us all. The people look with trust and hope on the deputies it has elected, on the members of the government, and on all those who bear particular responsibility for the destiny of reform.

Be worthy, then, dear friends, of that great trust.

Armenia

OSCE's Pressel Meets Karabakh 'President'

NC0603191595 Yerevan NOYAN TAPAN in English 1351 GMT 6 Mar 95

[FBIS Transcribed Text] 06/03/95 NOYAN TAPAN—On March 6 the President of the Republic of Mountainous Karabakh [MKR] received the U.S. representative to the OSCE Minsk group Joseph Pressel, who arrived in Stepanakert late on March 5. During the talks the sides discussed prospects for development of negotiating process on settlement of the Karabakh conflict. Joseph Pressel said that the United States is concerned with further development of peace-making efforts by the OSCE Minsk group, and underlined the importance of achieving at least little results, which would enable to speed up the conclusion of the political agreement on the Karabakh problem. For his part, Robert Kocharyan confirmed the position of the Mountainous Karabakh, namely its commitment to strengthen cease-fire regime as an important condition for continuation of the negotiating process and resolution of political issues. The MKR's President emphasized that mediators, when elaborating this or that peace plan, should equally take into consideration interests of all conflicting sides. To this end he voiced hope that at the forthcoming Minsk group conference in Stockholm, mediators will succeed in working out a form of negotiations, which would meet the current realities in the region and would be acceptable for all parties involved in the conflict. The Karabakh Foreign Minister Arkady Ghukasyan also attended the meeting.

Casualties, Destruction Reported in Taush

NC0603175295 Yerevan NOYAN TAPAN in English 1433 GMT 6 Mar 95

[FBIS Transcribed Text] [no dateline as received] On March 4-5 the situation on the northeastern and eastern sections of the Armenian-Azeri border aggravated sharply. Azeri armed formations, which late on March 3 fired heavily on the defensive positions of the villages of Movses and Aygepar in the Armenian Taush region, on March 4 from 8:00 am to 8:10 am backed by tanks and other armoured vehicle launched a large-scale offensive and tried to intrude on Armenia's territory. However, they failed to break through Armenian defensive troops. The Armenian Army, having stopped the Azeri offensive, launched a counteroffensive and drove the enemy out of the territory of the Republic. The Azeri offensive was followed by shelling of the villages of Movses and Aygepar and adjacent territories. After Armenian formations returned fire, Azeri began to sustain losses in manpower and military materiel. Two casualties and 20 wounded soldiers were reported from the Armenian side. Four civilians were wounded in Aygepar village. Both villages have destruction. In the noon of the same day and on the night of March 5 the Azeri units shelled the villages of Shavarshavan and Barekamavan in Armenia's Noyemberian region. No casualties were reported.

On March 5 from 12:10 pm to 10:50 pm the village of Vahan of Armenia's Krasnoselsk region was fired upon. On the same day from 8:40 to 8:50 and from 10:40 to 10:50 Azeris using mortars and other light armaments shelled the defensive positions of the village of Sevkar of the Armenian Idjevan region. No casualties were reported. In the last three cases the Armenian border troops did not return fire.

Flare-up of Armenian-Azeri Conflict

LD0603200895 Moscow ITAR-TASS in English 1949 GMT 6 Mar 95

[FBIS Transcribed Text] Moscow March 6 ITAR-TASS—According to the Armenian Defence Ministry, several residential areas and defensive positions in northeastern and eastern Armenia were shelled and attacked by Azerbaijan's forces over the weekend, with casualties.

The press service of Azerbaijan's Defence Ministry in turn said that army positions and residential areas in northwestern Azerbaijan were exposed to intense fire of Armenia-based heavy weapons, volley fire systems and tanks. The ministry said the fire, which was continued longer than 24 hours and stopped in early hours of Monday, caused army and civilian casualties.

The Armenian side says Azeri troops launched, at 8:10 on Saturday, intense firepower preparation which was followed by armour-supported attack in the direction of the village of Aigepar, Taushskiy district, northeastern Armenia. It was said that simultaneously with the attack Azeri units continued mortar and machine-gun fire on the villages of Movses and Aigepar.

Armenian forces baffled the offensive, mounted a counterattack and forced the Azeri units beyond Armenia's boundary, an ITAR-TASS correspondent reported from Yerevan.

Armenian positions near the villages of Koti and Baregamavan were said to experience brief shellings by Azeri troops on Saturday and overnight Sunday in Noemberyanskiy district, northeastern Armenia.

The Armenian Defence Ministry also said the Azeri troops on Sunday opened fire on the village of Vagan, Krasnoselskiy district, eastern Armenia.

An ITAR-TASS correspondent reported from Azerbaijan today that fire from the Armenian territory abated by now, although the shelling of the Azeri village of Ali-Beili by Armenian units continues in the Tauzskiy district bordering with Armenia.

According to Azeri military sources, Armenia deliberately broke previous stability to distract attention from an offensive against Azerbaijan which it is thought to plan to launch from northern Karabakh.

Azerbaijan

Army Positions, Populated Areas in Northwest Attacked

LD0603154395 Moscow ITAR-TASS World Service in Russian 1410 GMT 6 Mar 95

[By ITAR-TASS correspondents Sevindzh Abdullayev and Viktor Shulman]

[FBIS Translated Text] Baku, 6 Mar (ITAR-TASS)—The positions of the national army and populated centers in the northwest of Azerbaijan came under massive fire from Armenian territory where heavy artillery weapons, submachine-guns and tanks were used to launch the attack. The shelling stopped only this morning. This was reported by the republic's Defense Ministry today. According to the report, there are deaths among servicemen and civilians.

At present the situation in the area of shelling has stabilized somewhat, the ministry said. However, shelling continues from the adjacent [as received] side of the village of Ali-Beyli situated in the border area of Tauzskiy district in Azerbaijan. In the opinion of the military experts, the Armenian side has deliberately chosen to worsen the situation in order to distract attention from the area of the main attack on Azerbaijani positions which is expected to be mounted in the north of Karabakh.

Meeting With Armenian HCA Delegation in Bonn

NC0603184695 Baku TURAN in English 1043 GMT 6 Mar 95

[FBIS Transcribed Text] Baku (March 6) TURAN—This early morning the delegation of Azerbaijan's National Committee of Helsinki Civil Assembly (ANC HCA) left for Bonn for the meeting with Armenian colleagues. The Azeri delegation includes the Chairman of the ANC HCA, Arzu Abdullayeva, technical director, Eldar Zeinalov, and the Chairman of the Karabakh Committee of HCA, Haraman Haramanov. The Armenian party of the Karabakh Committee will be represented by Karen Ogadzhanyan, who will arrive in Bonn together with the Armenian delegation.

The meeting between National Committees of HCA of Azerbaijan and Armenia was organized by Bundestag of Germany together with the Embassies of Iran, Turkey and Russia in Germany. The Minister Counselor of Russia's President to the talks on Nagorno-Karabakh, Vladimir Kazimirov, will also take part at the meeting in Bonn.

The Chairman of the ANC HCA, Arzu Abdullayeva told TURAN's correspondent that the issues concerning the Armenian-Azerbaijani conflict are due to be discussed during the meeting in Bonn. "The issues on liberation of prisoners and hostages and the ways of establishment of confidence in the region will be also discussed", she said. According to the data of the ANC CHA, presently there are 137 prisoners and hostages in Nagorno-Karabakh. "Moreover, some people are kept by private persons", Arzu Abdullayeva said. Totally on the territory of Armenia and Nagorno-Karabakh approximately 760 Azeris are imprisoned and taken hostages. "They are in Kirovakan, Spitak, Goris and Yerevan", Abdullayeva says. During the conflict the number of missed Azeris totaled about 4,000-4,300 persons.

Georgia

Shevardnadze on Economy, Security Situation

LD0603104495 Tbilisi Radio Tbilisi Network in Georgian 0638 GMT 6 Mar 95

[Weekly studio interview with State Council Chairman Eduard Shevardnadze by Nato Oniani—live]

[FBIS Translated Excerpt] [Oniani] Good morning. We present an interview with Eduard Shevardnadze, chairman of the Georgian parliament and head of state. Batono [Georgian polite form of address] Eduard: All talks about normalizing the Georgian economy will be futile unless the crime situation is stabilized. Certain excesses have followed the positive efforts taken in this direction by Levan Mamaladze, your representative in Rustavi [south-east of Tbilisi]. The events in Rustavi have been assessed as an action directed against the central authorities. I believe, this event has to be considered when assessing the economic developments during the past week.

[Shevardnadze] Good morning. I will be brief in assessing the economic developments during the past week because our conversation on the subject last week was quite detailed and I do not think it is worth reiterating.

I would like to point out the extraordinary meeting of the Cabinet of Ministers on summing up the results of 1994 and setting tasks for the future as a major event in the first week of the spring. The meeting defined the priorities for the central and local administrations in the economic and social spheres. Improving the social protection of the population was set as a task of major significance. At the moment, small but visible reserves have emerged providing us with an opportunity to bring forward the issue concerning the enhancement of the support to be rendered to the most insecure part of the population.

An at least 50 percent rise of salaries in the first half of the year was also planned. The meeting also planned to expedite privatization and distribution of [privatization] vouchers, to increase [annual] production by at least 10-15 percent by using local resources as well as cooperation with the CIS and other countries.

It may not seem natural that the country in grave crisis will be able to accomplish a leap like this in one year's time. However, having taken into account the existing potential I have estimated that it is quite possible and real to achieve a 10-15 percent increase in the production of the national product even during the present energy crisis. [passage omitted]

Together with the representatives of the IMF, the World Bank, the European Union, and other international and regional financial organizations, we are trying to make a rational, planned, and effective use of the loans allotted to Georgia by the financial organizations. Our population will realize that we are advancing toward a new phase of economic stability once we begin to utilize the sums and means we have been receiving as aid or loans.

The second issue, which you have linked to the revival of the Georgian economy, is an incident that occurred in Rustavi [reference to raid on Rustavi mayor's office by the Georgian Rescue Corps]. Had this incident happened a year ago, no one would have been surprised, the process of conciliation would have been much easier, painless, and without an acute reaction. We would have turned a blind eye to it, as is said. However, this is impossible today because the country has already taken a new road. [passage indistinct]

I have already mentioned that some 2,300 armed groups have been taken in custody by the police and other law-enforcement bodies over the past year. The country is on the way to stabilization. This is already recognized and not only by us. The course toward enforcing order has already yielded first results. [passage omitted]

A few days ago, actions were taken against criminal elements in the area of the Red Bridge [a point at the Georgian-Azerbaijani border] which is on the central route leading from Azerbaijan, Central Asia, and Iran, to Turkey and the western countries. The action was taken in Marneuli [south of Tbilisi] and along some highways. These actions were carried out in response to my instruction and were headed personally by Levan Mamaladze [head of State's representative in the Kvemo Kartli region] and they were carried out brilliantly by the Interior Ministry and the security service which used its special purpose unit. [passage omitted]

Measures to enforce order on the highways are under way. It has been said on television that over 2,000 policemen led by Jemal Mikeladze [deputy interior minister, former Communist Party leader] are allocated to the highways to develop the first results and enforce order on the highways. The whole population of the region welcomes the actions.

I would like to say a few good words about the new leadership of Marneuli rayon. [passage omitted].

Millions of Russian rubles, large sums in U.S. dollars, and billions of coupons are being transferred to the state treasury. Hardly anything or sums so small that they are not worth mentioning were received in the treasury in previous months and years.

[Oniani] Sorry to interrupt you but I would like to remind the listeners that Beso Oboladze, the Marneuli rayon administrator, has said that the farmers' market, which used to give 10 million coupons a year, gave 16 million Russian rubles in only one day after the police operation. It is an amazing difference, is it not?

[Shevardnadze] You have just said what I was going to mention as an example. An income of 16 million rubles was received in one day only. And when the population of Georgia, Azerbaijan, and Armenia learn about it, keeping in mind that this area borders Azerbaijan and Armenia, the income will double and treble. And the income will be used to the benefits of the population. [passage omitted] All this money used to be deposited in the pockets of armed bandits. By very rough estimates, they misappropriated or rather robbed 5 million Russian rubles a day only in the area of the Red Bridge. [passage omitted].

I would like foreign businessmen and bankers to hear what I will say now in case my voice reaches them. These are the last actions of the destructive forces. The state order is being established. The processes are irreversible and Georgia will become your worthy partner.

Whoever does this, he does not want an oil pipeline to pass through Georgia. He does not want a gas pipeline to pass through Georgia. He does not want Georgia to become a transit state, although this will eventually bring billions of dollars into our country's treasury, which will be used for the well-being of our people and the country. [passage omitted].

I was impressed by the unanimity of the representatives of the Rustavi population and the population of the whole region, ethnic Georgians, Russians, Azeri, and Armenians. They all support the actions taken by the authorities to enforce order in the region, in the capital city and in Georgia on the whole. Any support to the destructive forces should be ruled out. The criminal case has been instituted. An investigation is under way. Appropriate documents which are designed to regulate the activities of the Rescue Corps are being worked up.

A lot has been said and a lot will be written about it. I expect that the representatives of intelligentsia which have been considered as friends of Mkhedrioni, that is, the Rescue Corps, will voice their stance. I have considered myself a friend, too and I cannot say that I do not care about these guys. However, I have to be just.

I believe that a young promising public figure like Dato Maghradze [minister of culture] who considers himself a member of Mkhedrioni will speak out publicly about his attitude toward the incident. Is it difficult? It certainly is. I believe that Lasha Tabukashvili [prominent Georgian writer], the son of my friends, will publicly speak about the incident. And others will also do this. If they want good for these guys they have to say the truth publicly, through television and papers. They have to say what they accept and what they do not. This should by all means become a lesson. [passage omitted]

At the moment, apart from punishing the perpetrators, establishing a public opinion is very important. We have to sound the alarm indicating that no one can get away with such things, no one will be condoned. The community, the people will not condone this.

As for my personal stance, I am ready to fight for the construction of the state, its stability, its unity and strength. When speaking of strength, I mean the regular army, police, security service, prosecutor's office and all the structures that are supposed to protect the state and the people. Maybe the Rescue Corps too, but within its framework rather than armed rampage.

Although this is linked to the people devoted to me, I have to use the most severe words and say that the Rustavi incident was an anti-state and adventurous action. [passage omitted]

[Oniani] Yet another disappointing event occurred in Tbilisi last week. Korneli Chaladze, the first deputy Tbilisi police chief, was shot dead in his office. The city police has been quite active lately. Do you think this event can adversely affect its fighting efficiency? The fact that the first deputy police chief was killed is very bad but it is especially awesome that he was killed in his office. This has a little bit of a different coloring.

[Shevardnadze] Certainly. I have known Korneli Chaladze as a fighter, a soldier fighting selflessly for his country, I would say. I remember him like that from Abkhazia, from the civil war in western Georgia. He carried out many operations risking his life. His activities in the capital city were also heroic, I would say.

The motive of the killing will no doubt be revealed. You know that the murderer is himself from the police and is Chaladze's employee. [passage omitted].

As for the police itself, I would like to emphasize its courageous attack on the criminal world. The city police has achieved the almost impossible over the past two or three weeks. [passage omitted]

All perpetrators, whoever patronizes them, will be brought to law and justice. Unless we do this, all our efforts will be wasted. I believe, that the Tbilisi prosecutor and the Georgian prosecutor general and his employees will support the police in this important deed of fighting for order in the capital city. This will be the best tribute to Korneli Chaladze.

[Oniani] You have already expressed your attitude toward the killing of Vladislav Listyev, the well-known Russian journalist. I would like to ask you this question from a certain angle. It has been said several times that if this is democracy and if democracy implies killings and chaos, then no one needs this democracy. What do you think this tendency means? Is this a nostalgia for totalitarianism or preparation for something even worse? Why are we forced to get used to the idea that whatever misfortune happens in the post-soviet countries, democracy is to blame because democracy is something bad and implies anarchy and chaos.

[Shevardnadze] I would like to remind the listeners that no democratic state has been formed without serious cataclysms and grave excesses. I also mean the countries of classical democracy which eventually established their democratic way after civil wars and social explosions. The road to democracy was hard and thorny for them.

We can find the way out not in rejecting democracy but rather in effective and guaranteed protection of democratic institutions and the democratic way of life. A democratic state should be strong enough to protect its democratic achievements. If the state fails to do so, the nostalgia you mentioned will arise.

There are forces in Georgia, in Russia, and in other countries of the former totalitarian space who endeavor to lead their countries toward that point. [passage omitted]

It was not accidental when I said that the states, especially the CIS member countries, have to unite their power in fighting against terror, terrorists and mafiosi who do not recognize frontiers and who are virtually united in fighting against the people's interests.

The unity of forces against terrorism and mafiosi clans will be a substantial guarantee of saving the democratic states.

[Oniani] Thank you. You have listened to Eduard Shevardnadze, chairman of the Georgian parliament and head of state.

Interior, Defense Ministries Condemn Rustavi Incident

LD0703122595 Tbilisi CONTACT INFORMATION AGENCY in Russian 0801 GMT 7 Mar 95

[FBIS Translated Text] Tbilisi—The Office of the Georgian Prosecutor General, the Ministry of Internal Affairs, the Security Service, and the Defense Ministry have issued a statement in connection with the incident that took place in Rustavi on 3 March. During that incident, up to 150 armed people from the Rescue Corps [Mkhedrioni] surrounded the Rustavi mayor's office, blocked all exits, and broke into the office of Levan Mamaladze, the head of state's authorized representative. They verbally and physically abused Mamaladze and shot and wounded a police official.

The statement says that we, the leaders of the Defense Ministry, Security Service, and law enforcement bodies condemn this attack and regard it as a threat to state interests and the life and health of an individual. The attack was carried out with extreme impertinence, cynicism, and violation of human rights, and total disrespect for the law.

The authors of the statement fully support the remarks and demands made in this connection by the head of state during his meeting on 4 March with members of the public representing Rustavi and Kvemo Kartli Province. We believe, the statement says, that it is necessary to clarify the role and authority of the Rescue Corps in the system of government in Georgia.

The statement is signed by Georgian Prosecutor General Jamlet Babilashvili, Defense Minister Vardiko Nadibaidze, Internal Affairs Minister Shota Kviraia, and Security Service head Igor Giorgadze.

Security Chief Blamed in Terrorist Attacks

954F1616A Moscow MOSCOW NEWS in English No 7, 17-23 Feb 95 p 4

[Article by Sergei Strokan, MN special correspondent: "Georgian Security Chief Hopes to Take Power"]

[FBIS Transcribed Text] The story about the attempt upon the lives of two Georgian generals in Moscow ("General's Assassination Has Political Implications," *MN* No 5, 1995) took an unexpected turn.

"The attempts to liquidate me physically and the intrigue against Vladimir Gladyshev, commander of the Batumi military base of Russian troops, aim to undermine peace and stability in Adjaria. Responsible for these actions are the security service of Georgia and personally its boss Igor Georgadze," Aslan Abashidze, chairman of the Supreme Soviet of Adjaria, told an *MN* correspondent in Batumi. According to the leader of this Georgian autonomous republic, terrorism encouraged from Tbilisi may serve to destabilize Adjaria, which today is the only quiet place in Georgia. "Terrorism in Georgia is directly linked with the official structure. Certain forces in such a way get rid of real or likely claimants upon power, who may come to it in a political way," said Abashidze. Georgia's security service, headed by Georgadze, is not only behind the attempt upon the life of Adjaria's leader, but also behind many terrorist acts, including the latest attempt on the lives of Georgian generals in Moscow.“ The fact that this organization never finds terrorists, according to the political leader of Adjaria, confirms that "it plans, carries out and conceals terrorist acts.“

"In 1992 Kitovani, the then defense minister of Georgia, wanted to kill me and invade Adjaria," says Abashidze. "Several attempts were made to force my plane to land in Tbilisi. Kitovani summoned Georgadze who under him headed the counterintelligence service and demanded that I be liquidated."

The new attempt, according to Abashidze, was planned by Georgadze himself.

"In a confidential conversation with his foreign colleague, the present boss of Georgia's secret service said that he will kill me all the same. On this subject I had a talk with him in the presence of Vice-Premier Margiani, who supervises the power ministries," said Abashidze. "I am going to raise this question with Shevardnadze."

The sensational statements of Abashidze coincided with the publication in *Izvestia* of the monologue of major-general Vladimir Gladyshev, commander of the 12th military base of Russian troops in Adjaria, which contained scandalous details on corruption in the leadership of the Group of the Russian Army in the Transcaucasus (GRAT). The article also talked about the contacts of Russian generals with Georgian secret services. General Gladyshev speaks about the "vast cobweb spun by Igor Georgadze who intends to become the first person in Georgia, the successor to Shevardnadze." This statement by the division commander, who has been suddenly forced to resign, adds new details to the "Adjarian intrigue." According to Abashidze, Georgadze has been struggling against him and considers him a target.

Maybe his fears are not groundless: Abashidze has the ability to become a real contender to Georgia's top post. Today his political rating is high enough, at least for the reason that in Adjaria, as distinct from other parts of Georgia, it has become possible not only to safeguard peace but also to shift the center of gravity to solving socio-economic problems. Today it is difficult to remove Abashidze politically because the opposition in the republic is not a serious force. Coming to power in 1991, Abashidze kept the republic back from disturbances. Quite recently Adjaria's leader has scored a new success—his team managed to approve in Tbilisi the project to create a free economic zone in Batumi. According to Adjaria's leaders, the Batumi free economic zone is a lever which can become a locomotive for the Georgian economy, which has come to a standstill. If the idea to make Batumi "porto franco" becomes a reality, this will enhance the political prestige of Abashidze all over Georgia.

In reply, Georgadze made his own, rather strong, countermove capable of mixing up all of Abashidze's countermoves. The intrigue against general Gladyshev which resulted in his resignation, has been carried out, most likely, by Georgadze with the assistance of the leadership of the Group of the Russian Army in the Transcaucasus and personally its commander Fyodor Reut. It is noteworthy that just like Abashidze, the general made it clear that they not merely wanted to remove him from the post, but also tried to liquidate him.

Today Gladyshev's units protect the borders of Adjaria from an outside threat, preventing unruly bandits from other parts of Georgia to enter Adjaria. They have been repeated attempts to destabilize the situation. It is highly significant that Gladyshev always had some differences with the leadership of the GRAT on questions of ensuring peace in Adjaria, which required that he "not interfere" in cases of an outside threat.

It was not accidental that Gladyshev's resignation has agitated Adjaria. It is maintained that his resignation may result in bloodshed. The representatives of the republic's Russian-speaking community sent a letter to Abashidze, which says that "the overwhelming majority of the population of the autonomous republic deservedly love and respect General Gladyshev, and ask him to do everything possible for him to remain in his post." Meanwhile, other senior officers, sympathizers of Gladyshev, are removed from Batumi little by little. The same happened to Colonel Igor Bronitsky, commander of the 90th regiment based in Batumi, the best regiment of Russia's land forces. He is being transferred to another place. According to local observers this is the result of a well-planned action aimed at depriving Adjaria of its Russian "shield." **MN Comment:** *Igor Georgadze, the present boss of the Georgian state security service, became the subject of talks as soon as he was appointed to this post, when it was voluntarily left by Irakly Batiashvili, one of the leaders of the national movement. Late Georgy Chanturia, ex-leader of the National-Democratic Party, accused Georgadze of bugging and eavesdropping on his party office. And on December 3, 1994, near the entrance to his house, Chanturia's car was riddled with machine-gun fire.*

A little more than a month later, on January 13, Tengiz Kitovani attempted to lead an armed march to Abkhazia. Georgadze headed the operation of disarming the gunmen of Kitovani. After this action, the security boss, by the decree of the head of state, was accorded the rank of lieutenant-general. However, the pressure on Georgadze from ministers and opposition politicians intensified. The assassination of Georgian generals in Moscow aroused new rumors and gossip around his personality.

Georgadze is a professional secret service-man, born in 1950, the son of a frontier-guard general named Panteleimon Georgadze, who is the present leader of the Georgian communists. Georgadze started his career in the security service as an ordinary operative. For a long time he had no success. It is said that the then chairman of the KGB, Colonel-General Aleksy Inauri, the friend of Yuri Andropov, had no special liking for Georgadze. This dislike is explained by the fact that at that time Shevardnadze wanted to have on this post Igor's father, Panteleimon Georgadze. But directives kept coming from Moscow which said don't touch Inauri. Therefore, soon Igor Georgadze left for Afghanistan. Some people maintain that there he served in the special department of the division commanded by Pavel Grachev. But, as they say, the general's son does not want to elaborate on this.

After the disintegration of old republican KGB, Georgadze sided with Kitovani and in the Defense Ministry headed military counterintelligence, becoming his right hand. After the appointment of Georgy Karkarashvili to the post of defense minister on May 6, 1993, Georgadze with his special units became MVD deputy minister. He was backed up by the then republican minister of internal affairs, the protege of Dzhaba Ioseliani, Teimuraz Khachishvili. Soon Khachishvili was removed, but he manages to persuade Shevardnadze through his influential boss Dzhaba Ioseliani to appoint Georgadze, chief of the Georgian security service. And Georgadze takes Khachishvili as his deputy. The appointment of Georgadze to this post in the republic sparked off numerous terrorist acts, and none of them was exposed, although his service, according to Georgadze "is being strengthened." Over a short period of time, not without the help of Fyodor Reut, commander of the Group of the Russian Army in the Transcaucasus, he created a mighty, well-armed special unit. However, as the general says, "not a cent was spent from the budget on it."

In this connection, not only the opposition, but also Vice-Premier Tomaz Nadareishvili was compelled to accuse the security service of bribery and racket. There is also talk that his service controls and receives unofficial dividends from the Poti sea port as well as from the sale of American cigarettes in the Georgian market.

There is also speculation that this service is involved in arms deals. But the close contacts of Georgadze with Russian generals so far have prevented his resignation and have made Shevardnadze, in the interests of "big-time politics" avoid drastic personnel changes in the republic's unpredictable power ministry. When an opportunity arises the security boss tries to show his loyalty to the head of state and declares publicly: "Our service is prepared to fulfil any tasks which will be presented before us by the leading force of the state."

[Signed] Akaky Mikadze

Two Killed in Rustavi Esplosion

LD0703102595 Tbilisi IPRINDA in Russian 0955 GMT 7 Mar 95

[FBIS Translated Text] Rustavi [no date as received] (IPRINDA)—The police chief in Rustavi [Kartli Province] told an IPRINDA correspondent that in the early hours of 7 March there was a powerful explosion in the Rustavi headquarters of the Rescue Corps [Mkhedrioni]. Two members of the Rescue Corps were killed and two others were wounded in the explosion. The building suffered considerable material damage. An investigation is under way.

NDP: Emergence of New Pocket of Tension in Ajaria

LD0603172595 Tbilisi IPRINDA in Russian 1000 GMT 6 Mar 95

[FBIS Translated Text] Tbilisi—The parliamentary faction of the Georgian National Democratic Party [NDP] has issued a statement expressing concern over the conflict between Igor Giorgadze, the head of the Georgian Security Service, and Aslan Abashidze, the chairman of the Supreme Council of the Autonomous Republic of Ajaria. The statement says that there have been attempts on Abashidze's life and takes note of the uproar in Russia caused by statements made by Abashidze and General Vladimir Gladyshev [commander of Russian troops in Ajaria].

In the opinion of the NDP faction, careless treatment of these problems may lead to the emergence of a new pocket of tension in Georgia. Proceeding from the aforementioned, the NDP faction calls on the Georgian head of state and the republican government to take appropriate measures, hold parliamentary hearings in connection with these incidents, and put an end to terrorism in Georgia for good.

Estonia

Reportage, Commentary on Parliamentary Elections

Roundup of Preliminary Election Results

LD0603190895 Moscow INTERFAX in English 1650 GMT 6 Mar 95

[From the "Presidential Bulletin" feature: Compiled by Nikolay Zherebtsov, Andrey Petrovskiy, Edited by Vladimir Shishlin]

[FBIS Transcribed Text] [no dateline as received] By preliminary returns, the opposition electoral alliance of the Coalition Party and the Association of Peasants gained the largest number of votes at last Sunday's elections in Estonia.

That was reported to Interfax by Avo Blankin, chairman of the Republican Electoral Commission.

The bloc, led by Tiit Vahi, formerly premier and speaker of Soviet Estonia's parliament and now chairman of the Tallinn city assembly, secured 32.6

of the vote, which entitles the alliance to 42 of the 101 mandates.

Coming second is the party of reform, set up shortly before the elections to unite bankers and top industrialists, led by Siim Kallas, president of Estonia's Bank. It collected 16.4

of the vote (19 mandates). Placed third is the opposition centrist party (14.2

of the vote - 16 mandates), led by Deputy Speaker Edgar Savisaar.

Then comes the electoral alliance of the ruling Isamaa and National Independence Parties (7.1

- 7 mandates), and the Moderates bloc (6

- 6 mandates). 5.9

of the vote—6 mandates were won by the Our House Estonia alliance of three parties of ethnic Russians, which contested republican elections for the first time. At the bottom of the list of the parties which have gone through into parliament is the Right-Wingers bloc (5.1

- 5 mandates).

In all, 69.2

of the voters took part in the elections. IF Note: As many as 1,256 candidates of nine electoral blocs and seven parties competed for 101 seats in parliament. The electorate totaled 766,626 of whom nearly 100,000 were Russian speaking. Nearly 300,000 non-native people could not attend the voting because they were not citizens of Estonia. The elections were supervised by 676 representatives of parties, movements and mass media, in particular 52 foreign observers.

Tiit Vahi, leader of the Coalition Party and the Association of Peasants, the electoral alliance that won last Sunday's parliamentary elections in Estonia, has refuted claims that his coming to power means "a victory of the left and a return of the former communists".

"They number in our alliance no more than in the other parties that contested the elections," he declared at a news-conference on the election results.

Vahi stressed that he was ready to ally with the Party of Reform, comprising mainly bankers, led by Siim Kallas, president of Estonia's Bank, with the centrists, led by Edgar Savisaar, deputy speaker of parliament, or with the right-wingers, led by parliamentary speaker Ulo Nugis. "Appropriate negotiations will get underway Monday," he announced.

According to him, in domestic policy his union intends to pay special attention to "speeding up the land reform," creating a market of securities, and supporting peasants through tax benefits and credits.

In foreign policy, he called for closer European integration and cooperation with the European Union and NATO.

Vahi stressed the need for normalizing relations with Russia and conducting talks not only between delegations of the two countries but also between their leaders. He spoke out against linking political and economic problems together. "Our relations should be more pragmatic and without economic pressure in dealing with political issues," Vahi said.

The leader of the election alliance of Russians living in Estonia Viktor Andreyev intends to protest to the Central Electoral Commission against the poor organization of elections last Sunday. He announced his intentions to Interfax Monday.

He said ethnic Russians faced numerous obstacles on their way to polling booths and many were not included on the lists of voters.

Andreyev said voters were under psychological pressure: on election day leaflets were circulated slandering his alliance's election program and directly urging people to vote against representatives of the Russian community.

Election Results Viewed

LD0603172995 Moscow ITAR-TASS in English 1628 GMT 6 Mar 95

[By ITAR-TASS correspspondent Albert Maloveriyan]

[FBIS Transcribed Text] Tallinn March 6 TASS—The victory of the Coalition Party of Estonia and the Association of Agrarians at Sunday's parliamentary elections is a turn to the left, Andres Tarand, prime minister of the republic, stated here today.

According to preliminary data, the bloc of the Coalition Party and Agrarians have received in the parliament 41 mandates out of 101.

Tiit Vaehi, leader of the Coalition Party, who some time ago headed the Cabinet of Ministers, believes that Estonia needs today a government of the right orientation. He expressed readiness to start consultations on the establishment in the parliament of a ruling coalition which should also include the Party of Reformers (19 mandates), centrists (16 mandates) and right wingers (6 mandates).

The "Isamabad" party and the Party of National Independence comprising the substance of the present ruling group, so far have only 7 mandates in the new parliament. Groups of the right radical orientation also suffered an obvious defeat at these elections.

A bloc of Russian parties participated in these parliamentary elections for the first time which successfully overcame a 5 per cent barrier. This gives it the right to include its six representatives in the parliament and form there its own faction.

Commenting on the results of voting, Vice Mayor of Tallinn Viktor Andreyev, leader of the bloc of Russian parties, says his bloc is the only one which expresses views and resolves problems of not only citizens but also all permanent residents of the republic, including over 300,000 representatives of Russian speakers who do not have Estonian citizenship.

According to Viktor Andreyev, representation of the bloc of Russian parties in the parliament will allow leaders of the Russian speaking community to raise actual problems not only at the level of official power structures inside Estonia but also outside the republic.

Counting of votes at Sunday's parliamentary elections continues.

Election Losers Lodge Complaints

LD0603212095 Tallinn Radio Tallinn Network in Estonian 1800 GMT 6 Mar 95

[FBIS Translated Text] The Estonia Is Our Home electoral pact has said that it intends to lodge an official complaint to the Electoral Commission. The electoral pact is not satisfied with the fact that on the day of the elections [5 March], leaflets appealing to voters not to vote for them were pasted on the walls of some polling stations in Tallinn.

Several protests have been made in connection with the president's television address on Saturday [4 March]. Vello Leito, a spokesman for the Estonian Nationalist Central Union told BNS that the president's interference in the elections through his television address on Saturday was so striking that calls should be made for new elections. According to Tiit Madisson, the chairman of the Nationalist Central Union, neither the mass media nor the president, to say the least, should interfere in the elections at their own behest, and such interference should not take place in any democratic country.

Jaanus Raidal, chairman of the Estonia's Future Party, told BNS that the president's television address was unethical and affected the outcome of the Riigikogu elections. Juri Toomepuu, co-chairman of the Better Estonia-Estonian Citizen electoral pact, thinks that the Riigikogu elections were substantially influenced by the presidential television address, as well as by the opinion polls run before the elections.

Vahi Denies Communists Returning to Power

LD0603163695 Moscow INTERFAX in English 1525 GMT 6 Mar 95

[From the "Diplomatic Panorama" feature: Reports by our diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov and others]

[FBIS Transcribed Text] TALLINN, Mar 6 (Interfax)—Tiit Vahi, leader of the Coalition Party and the Association of Peasants, the electoral alliance that won last Sunday's parliamentary elections in Estonia, has refuted claims that his coming to power means "a victory of the left and a return of the former communists".

"They number in our alliance no more than in the other parties that contested the elections," he declared at a news conference on the election results.

Vahi stressed that he was ready to ally with the Party of Reform, comprising mainly bankers, led by Siim Kallas, president of Estonia's Bank, with the centrists, led by Edgar Savisaar, deputy speaker of parliament, or with the right-wingers, led by parliamentary speaker Ulo Nugis. "Appropriate negotiations will get underway Monday," he announced.

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OSCE Observers Report Minimal Violations

WS0703101095 Tallinn BNS in English 1300 GMT 6 Mar 95

[FBIS Transcribed Text] Tallinn, Mar 06, BNS—Observers from the Parliamentary Assembly of the Organization for Security and Cooperation in Europe

(OSCE), in Estonia for the March 5 general elections, said on Monday they had recorded no major violations of the election law during the voting.

At a press conference in Tallinn, the OSCE observers pointed out some minor irregularities, such as cases when family members had filled in their ballots together in one booth.

The OSCE observers declined comment when asked about what some in Estonia say was interference by the country's president, Lennart Meri, in the pre—election campaign.

"The OSCE at the elections was only observing the technical process, of how they were held," said Pentti Vaananen, a OSCE observer from Finland.

*Structure of Finnish-Estonian Trade Examined

954K0470B Helsinki KAUPPALEHTI in Finnish 26 Jan 95 p 6

[Article by Seppo Tuomi: "Finnish-Estonian Trade Is Fundamentally Changing; Logic of Relative Competitive Edge Is Not Working yet Either"]

[FBIS Translated Text] In their study, "The Potential and Relative Advantage of Finland's Trade With the Baltics," researchers Mika Erkkila and Mika Widgren estimate that trade between Finland and Estonia will be fundamentally changing from what it is at present.

The reason for the change is that the Estonian economy is improving and the country's foreign trade is going through a period of relative competitive advantage over [other] national economies and of reciprocal trade.

First, the logic of a relative competitive edge—that is, that old rule of economics that in the long run countries trade in those products with which the countries in question have a relative edge as compared with others—must be increasingly followed in trade between Finland and Estonia.

As concerns Finnish exports to Estonia, this logic means that the relative percentages of exports of, for example, paper, cardboard, finished lumber, telecommunications products, and ships should be increased and that the at present abnormally high percentages of fuel oil, gasoline, and diesel oil exports should be reduced.

Oil product exports accounted for a total of 12 percent of the value of all exports in 1992; that is, they constituted the biggest category of products, generally much bigger than in Finland.

By the same logic, we have to also reduce the percentage of the export value of used cars. In 1992, used cars were Finland's fifth largest export product.

According to the researchers, the logic of the competitive edge has already worked better with Finland's imports and with its exports.

The researchers consider a poorly trained work force to be a competitive advantage for Estonia, from which it follows that exports of, for example, textiles, shoes, and certain food items to Finland should be increased.

Finland also buys furniture, timber, and scrap from Estonia.

There is also a highly trained work force in Estonia, but so far at least the fact that Estonia cannot exploit them protects Finland's competitive edge.

ADP programmers, for example, have been coming to Finland to work.

At some point in the 21st century, the importance of the principle of relative advantage will diminish and, according to the researchers, this is why trade between Finland and Estonia will change into reciprocal trade, which is the kind that the EU countries, among others, engage in with one another.

Reciprocal trade means that countries that have developed in a similar manner buy products produced by the same industries from each other, that is, each country makes cars, for example, and they buy them from each other.

Reciprocal trade accounts for 70 percent of the total value of trade between Finland and Estonia. It accounted for only 16 percent of trade between Finland and Estonia in 1992.

"Trade Beyond Its Potential"

According to the researchers, the volume of Finnish exports to Estonia has been greater than the potential for them, which means a slowdown in the growth rate for them in future.

Finland will have more competitors and Estonia's own production will also increase.

Finnish exports to Estonia accounted for about 2 percent of all Finnish exports in 1994 or, according to the researchers, relatively more than ever.

According to the researchers, the reasons for the success of Finnish exports have been Finland's location, the lack of competition, Estonia's own poor supply situation, the demand for used products, Finland's export subsidies for agricultural products, and the cultural ties between the two countries, among others.

Latvia

Government Views Progress of Privatization Program

WS0703092995 Riga LABRIT in Latvian 22 Feb 95 p 1

[Report by Rita Zvidra: "Privatization Belated"]

[FBIS Translated Text] The Cabinet of Ministers discussed at its meeting yesterday the results of the implementation of the privatization program. Accordingly, 256 state enterprises have been privatized with a total [value] of 70 million lats [Ls] in compliance with the law "On Order of Privatization of State and Municipal Property" adopted on 16 June 1992. The share of the privatization certificates in this process was 38.4 percent.

Of the 179 agricultural enterprises, only 25.7 percent—46 enterprises—were privatized by the beginning of the current year.

In accordance with the assembled data on privatization, 49 divisions of the Bank of Latvia have been transferred into 8 joint stock companies and 11 divisions have been sold to commercial banks at auctions. The privatization of land has been initiated and consequently 42,900 hectares of land have been privatized. Certificates totaling Ls7.8 million were used for privatization needs.

By 31 January of this year, privatization certificates worth a total of Ls2 billion 740 million were allotted to 89 percent of the Latvian population. In the districts of Limbazi, Aluksne, and Madona, 100 percent of the residents received their certificates, but in the districts of Riga, Jelgava, Bauska, Jekabpils, Daugavpils, Kraslava, Balvi, and Valmiera the certificates were allotted to 80 percent of the inhabitants, whereas in Riga—to 70 percent.

The government's report on the course of privatization in Latvia states that privatization is belated. The present status of property ownership does not allow for obtaining sufficient funds for development or for social protection of the staff.

Committee To Investigate Crises in Commercial Banks

WS0703085895 Riga DIENA in Latvian 24 Feb 95 p 1

[Report by Juris Tihonovs: "Committee for Investigating Reasons for Financial Crises"]

[FBIS Translated Text] Riga, 23 Feb—Today, the Saeima [parliament] established a committee to investigate the reasons for financial crises in several Latvian commercial banks, threatening the stability of the financial system of the state.

The members of the committee are: Andrejs Krastins (Latvian National Independence Movement), Viesturs Pauls Karnups (Latvian National Independence Movement), Karlis Jurkovskis (Political Association Of Economists), Maris Grinblats (Homeland and Freedom), Ojars Kehris (Latvia's Way), Vilis Kristopans (Latvia's Way), and Aija Poce (Latvia's Way). Kristopans was elected chairman of the committee, and Karnups—its secretary.

After being elected chairman, Kristopans announced that the problem to be investigated is very delicate, therefore all consecutive committee meetings will be closed to the public. After the first meeting, he told the press that the committee members had discussed which aspects of the financial system should be analyzed. It was decided that the committee would report on the state of control over the banks by the end of March.

The committee members also made a decision about which officials should be summoned to the committee meetings to present information. Among them, the presence of the president of the Bank of Latvia, board members of the banks, and representatives of state inspection was deemed obligatory. The committee also decided to hear the opinions of international auditory firms that had controlled last year's bank balances.

The primary goal of the committee's activities is to analyze the problems of the Latvian financial system, to report them to the Saeima, and to find a way of stabilizing the financial system. It will also pay close attention to falsification of certificates, and security of savings. Krastins will be responsible for analyzing the "Lainabank" affair, and Kehris—for legislative problems connected with the stability of the financial system.

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